

DAILY REPORT

Asia & Pacific

Vol IV No 229

27 November 1985

JAPAN

Abe To Raise Nuclear Arms Control With Soviets	C 1
Nakasone Tells Diet of Condition To Visit USSR	C 1
Nakasone Receives Los Angeles Mayor Bradley	C 1
Foreign Ministry Insists on ODA Budget Increase	C 2
Indicators Show Signs of Economic Slowdown	C 2
Industrial Output Rises 1.3 Percent in Oct	C 3
Report Notes October Exports Down, Imports Up	C 3
Sino-Japanese Trade Fair Opens in Osaka	C 4
PRC Seeks Investment Agreement	C 4

NORTH KOREA

MAC Meeting With U.S. Requested for 30 November	D 1
NODONG SINMUN on Army Commanders Meeting in South [23 Nov]	D 1
South's 'New Village Movement' Plunders Towns [NODONG SINMUN 24 Nov]	D 1
NODONG SINMUN on Enhanced Role of Intellectuals [19 Nov]	D 2
Pak Song-chol at Judicial Organs Commemoration	D 3
USSR Envoy to Japan Speaks at Friendship Meeting	D 4
Prospectors Secure Coal Deposits in North Region	D 5
Commentary on Meeting of South's Military Leaders	D 6
NODONG SINMUN on Workers Material Incentives [24 Nov]	D 7
NODONG SINMUN on Role of Plant Functionaries [25 Nov]	D 10
Consular Agreement With PRC Signed 26 November	D 12
KPA Friendship Group Leaves for Visit to PRC	D 12

SOUTH KOREA

Chon Decorates Suzuki With Diplomatic Order	E 1
Suzuki Press Conference	E 1
Album Firms Seek Indirect Imports to U.S.	E 1
Japan To Ask for USSR Help in Inter-Korean Talks [THE KOREA HERALD 27 Nov]	E 2
Foreign Minister Yi Visits Kuwait, Bahrain [cross-reference]	E 2
Yu Che-yon Appointed New NKDP Secretary General	E 2

CAMBODIA

Paper on SRV Moves for Dry-Season Offensive [Bangkok BANGKOK POST 27 Nov]	H 1
Prince Rannarit Wants 'No One' Out of Talks [Bangkok BANGKOK POST 27 Nov]	H 1

LAOS

PASASON Commentaries Review Geneva Summit	I 1
Soviet Efforts Praised [22 Nov]	I 1
Outcome Hailed [21 Nov]	I 1

New Thai Ambassador Presents Credentials	I	2
Army Issues Instruction on National Day	I	2
Nouhak Phoumsavan Attends Financial Conference	I	4
'Conversation' Warns of Threat From Thailand	I	5
Progress in Industrial Development Noted	I	6
Last Decade's Agricultural Advances Cited	I	7

THAILAND

Foreign Ministry Statement on SRV Sea Claims	J	1
Athit Says Lao Air Intrusion May Be Accident [THE NATION 27 Nov]	J	2
UN Official Says 25,000-30,000 To Be Resettled [BANGKOK POST 27 Nov]	J	2

VIETNAM

Rajiv Gandhi Begins Official Visit	K	1
Gandhi on Cambodia, Geneva [Delhi]	K	2
SRV-India Cooperation Commission Session Ends	K	2
Press Statement Issued	K	3
Minister Recounts Indian Agricultural Aid	K	3
Le Duan, Soviet Envoy Discuss Geneva Summit	K	4

AUSTRALASIA

AUSTRALIA

Hayden on Planned Pacific Tour, U.S. Tuna Boats	M	1
Filipino, Cambodian Problems	M	1
Vietnam Refuses Entry Visas to Immigration Team	M	1

NEW ZEALAND

Lange To Press for 'Revised' Nuclear Ban Law [AFP]	M	2
Lange Says French Agents Not To Be Deported [AFP]	M	2
Lange Comments on Latest French Nuclear Test [AFP]	M	3
Auckland Commander Named Chief of Staff [THE NEW ZEALAND HERALD 20 Nov]	M	3
Muldoon Discusses SIS Budget in Court Case [THE NEW ZEALAND HERALD 20 Nov]	M	3

PHILIPPINES

Parliament Approves Bill for Snap Election	P	1
Virata, Central Bank Head Favor Joint Election [AFP]	P	1
Technocrats Speculate on Election Spending [ANG PAHAYAGANG MALAYA 18 Nov]	P	2
Minister Defends Constitutionality of Bill	P	3
Military To Police Polls Where Peace Threatened	P	3
KBL Proclamation Convention Set for 7 Dec	P	3
Marcos Laments Hijack Deaths, Calls for Unity [AFP]	P	4
New Patriotic Alliance Stages Election Boycott [AFP]	P	4
Justice, Democracy Group Rebuts Wolfowitz Claims [BUSINESS DAY 25 Nov]	P	4
Paper Welcomes Proposed U.S. Probe of Aid Funds [ANG PAHAYAGANG MALAYA 15 Nov]	P	5

Laurel Denies Currying Favor on Trip Abroad [ANG PAHAYAGANG MALAYA 20 Nov]	P 6
Laurel Camp Wants Unification Committee Convention [AFP]	P 6
Tatad on Harm Caused by Opposition Quarrels [BUSINESS DAY 20 Nov]	P 7
Columnist Examines Unifying the Opposition [METRO MANILA TIMES 20 Nov]	P 8
Valencia Views Preparations for Election	P 9
Opposition's Consideration of Boycott Viewed [WE FORUM 19-25 Nov]	P 10
National Democratic Front Comments on Election [WE FORUM 19-25 Nov]	P 12
Court Warns Against Aquino Case Speculation [AFP]	P 14
List of 25 'Overstaying Generals' Released [METRO MANILA TIMES 25 Nov]	P 15
BUSINESS DAY: Ver, Ramos To Be Replaced [26 Nov]	P 16
Editorial Views Armed Forces Reorganization [ANG PAHAYAGANG MALAYA 19 Nov]	P 18
Court Confirms Mendoza as Pampanga Governor	P 18
Virata, Business Leaders on Economic Prospects [AFP]	P 19
Minister Claims CB Discouraging Small Farmers [ANG PAHAYAGANG MALAYA 21 Nov]	P 20
Editorial on World Bank's Anxieties Over Economy [ANG PAHAYAGANG MALAYA 17 Nov]	P 21
Paper Analyzes Recent Boom of Black Market [ANG PAHAYAGANG MALAYA 21 Nov]	P 21
Three International Loans Set For Release 15 Dec	P 22
Manila Shows Increase in License Income [BULLETIN TODAY 25 Nov]	P 22
Terrorism Stalks Oppositionists Around Country [ANG PAHAYAGANG MALAYA 15 Nov]	P 23
Military Denies Mass Killings in Cagayan [ANG PAHAYAGANG MALAYA 17 Nov]	P 24

ABE TO RAISE NUCLEAR ARMS CONTROL WITH SOVIETS

OW270641 Tokyo KYODO in English 0636 GMT 27 Nov 85

[Text] Tokyo, Nov 27 KYODO -- Foreign Minister Shintaro Abe told the Diet Wednesday he plans to raise nuclear arms control in talks with Soviet Foreign Minister Eduard Shevardnadze in January.

Abe also told the Foreign Affairs Committee of the lower house that Japan plans to urge Britain to drop a threat to pull out of the United Nations Educational, Scientific and Cultural Organization. He said Britain should join hands with Japan and other nations to promote reform in the world body rather than withdrawing from it.

Turning to last week's summit between the United States and the Soviet Union, Abe said he plans to raise the issue during Shevardnadze's visit to Japan in January and ask the Soviet Union to faithfully implement the agreements reached at the Geneva summit.

Abe said he will also seek the Soviets' acceptance of a gradual nuclear-test ban, proposed by Japan, of the Geneva arms control conference. Japan will explain in detail its proposed role in an international nuclear test ban agreement, including the supply of earthquake sensors for verification of nuclear tests, Abe said.

NAKASONE TELLS DIET OF CONDITION TO VISIT USSR

OW261251 Tokyo KYODO in English 1226 GMT 26 Nov 85

[Text] Tokyo, Nov 26 KYODO -- Prime Minister Yasuhiro Nakasone told the Diet Tuesday he will only visit the Soviet Union if the Soviets agree to resume bilateral foreign minister consultations on a regular basis. Nakasone clarified his Soviet stand in response to a question from Komeito's Yasuo Suzukiri at a House of Representatives' Cabinet Committee session.

Soviet Foreign Minister Eduard Shevardnadze is scheduled to visit Japan in January to resume bilateral consultations with his Japanese counterpart, but the Soviets have not said whether Moscow is willing to resume the high-level dialogue on a regular basis.

NAKASONE RECEIVES LOS ANGELES MAYOR BRADLEY

OW260631 Tokyo KYODO in English 0618 GMT 26 Nov 85

[Text] Tokyo, Nov 26 KYODO -- Los Angeles Mayor Thomas Bradley visited Prime Minister Yasuhiro Nakasone at the prime minister's office Tuesday and urged Japan to import more Californian citrus. Bradley said he believes a mayor or a local municipality for its part should contribute to bringing about free trade between Japan and the United States. Nakasone told him Japan has been endeavoring to increase imports from the United States, including citrus.

OCTOBER STEEL EXPORTS TO U.S. DOWN SHARPLY

OW260645 Tokyo KYODO in English 0642 GMT 26 Nov 85

[Text] Tokyo, Nov 26 KYODO -- Steel exports in October fell 5.9 percent from a year ago to 2.69 million tons, the Japan Iron and Steel Federation said Tuesday. In value, October exports declined 10.5 percent to 1.13 billion yen, it said. Shipments to the United States dropped 33.5 percent to 339,000 tons due to Japan's voluntary restraint on exports to that country. Exports to China rose 4.2 percent to 909,000 tons.

FOREIGN MINISTRY INSISTS ON ODA BUDGET INCREASE

OW251310 Tokyo KYODO in English 1254 GMT 25 Nov 85

[Text] Tokyo, Nov. 25 KYODO -- The Foreign Ministry is insisting on a 10-percent budget increase to some 641.4 billion yen for next year's Official Development Aid (ODA) a senior ministry official said Monday.

The increase for fiscal 1986 was approved by the Finance Ministry in July, despite most of the general expenditures being set below the current year's level. However, some cabinet members have been objecting to the increase recently, due to the higher exchange value of the yen against the dollar, according to the official.

Foreign Minister Shintaro Abe has announced that Japan will increase ODA expenditure to some 40 billion dollars by 1992, the source said. Thus the ministry has to maintain the 10-percent increase to stay on course for keeping the promise for the new ODA seven-year scheme beginning next April, he said.

If the yen's appreciation keeps going, the official added, Japan's ODA expenditure consequently will be lower than expected. Japan's current level of ODA is not appropriate for Japan as a developed country, and Japan has to expand the aid to carry out its international responsibilities, the official said.

INDICATORS SHOW SIGNS OF ECONOMIC SLOWDOWN

OW261031 Tokyo KYODO in English 1010 GMT 26 Nov 85

[Text] Tokyo, Nov. 26 KYODO -- Japan's economy probably started slowing down between July and September, according to economic indicators released Tuesday by the Economic Planning Agency (EPA).

Japan's coincident index, which moves in concert with business conditions, came to 31.8 percent in September, the latest reporting month, far below the so-called "boom or bust" line of 50 percent for the second consecutive month. The indicator was 18.2 percent in August, dropping below the critical line for the first time in five months. If the indicator drops below the 50 percent line for three months in a row, the economy usually reaches a peak and starts slowing down sometime during those months, EPA officials said.

In October, there is a slight chance that the indicator rose over the critical line but it is most likely to fall below the line for November and thereafter, due partly to possible adverse effects on the economy of the recent appreciation of the yen, they said. The leading indicator, which moves in advance of general business conditions, surpassed the boom-bust dividing line at 58.3 percent for September, the agency said. This compared with 54.2 percent for August.

But if the 12 items, which comprise the indicator, are thoroughly studied, they show the economy will likely be lacking in "power" in the near future, they said. The lagging index showing the state of the economy several months ago stood at 28.6 percent, dropping below the 50 percent line for the third straight month.

INDUSTRIAL OUTPUT RISES 1.3 PERCENT IN OCT

OW260813 Tokyo KYODO in English 0740 GMT 26 Nov 85

[Text] Tokyo, Nov 26 KYODO -- Japan's industrial output in October rose 1.3 percent from the previous month after seasonal adjustments, compared with falls of 1.3 percent in August and 1.1 percent in September, a government report said Tuesday. The preliminary report by the Ministry of International Trade and Industry (MITI) said the October mining and manufacturing index stood at 123.0 against 100 for 1980, up 1.9 percent from a year ago before seasonal adjustments. The year-to-year rise of 1.9 percent was the lowest since April of 1983, when it marked a 0.8 percent advance, MITI officials said.

The officials said Japan's industrial production will continue a seesaw movement for some time as MITI is predicting a 0.4 percent monthly fall for November and a 1.0 percent monthly rise for December in a separate forecast index. October output of the transport machinery industry, including automobiles and trucks, rose 8.5 percent from the previous month, compared with a monthly fall of 4.2 percent from September. Production by the electric machinery industry, such as computers and facsimile machines, gained ground for the first time in three months, up 2.7 percent from September, the report said. October industrial shipments also edged up 1.5 percent from the previous month after seasonal adjustments.

Unadjusted October shipments rose 2.6 percent from a year ago with the shipment index standing at 118.4 against 100 for 1980.

Industrial inventory in October fell 0.4 percent after adjustments for the second straight monthly setback, but it was up 6.6 percent from a year ago before adjustments. The adjusted inventory index stood at 108.3 against 100 for 1980. The ratio of inventory to sales declined 1.0 percent from September but rose 3.4 percent from a year ago.

REPORT NOTES OCTOBER EXPORTS DOWN, IMPORTS UP

OW270643 Tokyo KYODO in English 0632 GMT 27 Nov 85

[Tex.] Tokyo, Nov 27 KYODO -- Export contracts concluded in October by Japan's 13 largest trading houses suffered an 11.2 percent year-to-year drop in yen terms due chiefly to the yen's steep appreciation against the dollar, the Japan Foreign Trade Council said Wednesday. The exports, worth 819 billion yen, also marked a massive 73.1 percent plunge from September because of a backlash as September was the settlement of account month for many companies.

The council said import contracts for the month rose 11.1 percent over a year ago to 1.6 trillion yen. But the imports dropped 39.8 percent from September.

In dollar terms, however, exports and imports both increased, by 2.1 percent and 27.6 percent respectively, for the third straight year-to-year monthly gains. Buttressed by brisk demand in the United States, exports of automobiles sparkled, up 11.7 percent over a year earlier, but exports of most other items, notably ships, steel and textiles, were sluggish, the council said. A council spokesman said traders are taking a wait-and-see attitude on exports of textile goods due to the over rapid appreciation of the yen against the dollar.

While exports to Western Europe were as favorable as ever, those to other regions generally slumped, with exports to Southeast Asia and China dropping 10.7 percent and 26.4 percent, respectively.

The double-digit increase in overall imports was thanks to rocketing imports of non-ferrous metals, up 2.3-fold. In yen terms, imports of such items as textiles, wood and plywood to their lowest levels in several years due to adverse effects brought about by the higher yen, which, according to the council, averaged 214.73 yen to the dollar, up 14.9 percent from a year earlier. The rate was 236.95 yen in September.

Imports from the United States jumped 58.0 percent, aided by large-lot uranium import contracts, but those from southeast Asia dropped 10.2 percent, the council said.

SINO-JAPANESE TRADE FAIR OPENS IN OSAKA

OW250527 Tokyo KYODO in English 0204 GMT 25 Nov 85

[Text] Osaka, Nov. 25 KYODO -- A six-day Japan-China trade fair started here Monday to promote economic and technical exchange. About 170 top Chinese officials from 14 major cities like Shanghai, Dalian and Tianjin are taking part in the China Investment and Trade Convention, organized by the Osaka Chamber of Commerce and Industry and seven other groups. A total of 359 Japanese traders and manufacturers entered export and other business negotiations with the Chinese side, which presented 208 export contracts worth about 120 billion yen.

Along with the export talks, an investment seminar was held to promote Sino-Japanese joint ventures.

Addressing the convention, Zheng Tuobin, Chinese minister of foreign economic relations and trade, said China's gross national product in 1990 will double that of 1980. He said the Sino-Japanese trade relationship has entered a new era in which more diversified trade is necessary. He said he was concerned by the Chinese trade deficit with Japan, appealing for more Japanese technological assistance to China to help it boost its exports of industrial goods.

PRC Seeks Investment Agreement

OW250645 Tokyo KYODO in English 0635 GMT 25 Nov 85

[Text] Osaka, Nov. 25 KYODO -- China wishes to enter into an investment guarantee agreement with Japan at the earliest possible date, a senior Chinese trade minister said here Monday. Zheng Tuobin, minister of foreign economic relations and trade, expressed the hope in a news conference at the Osaka Chamber of Commerce and Industry. He is here to attend a China investment and trade convention, organized by the Osaka Chamber of Commerce and Industry and seven other groups, which opened here Monday.

New laws are being drafted to facilitate the influx of foreign capital, such as one on joint venture management and another on attracting foreign capital, Zheng said. He said joint enterprises would not be permitted to remit overseas all of their dividends, in view of China's foreign currency position. He added, however, that such enterprises would be allowed to remit dividends overseas up to a "reasonable" amount.

Zheng said joint concerns must work to earn foreign currencies by themselves, for instance through export promotion, so that their foreign currency receipts and payments are balanced. He said enterprises producing import goods in China would be allotted foreign currencies by the government. A community, for instance an industrial park, should try to balance its foreign currency receipts and payments, Zheng said.

Referring to the so-called, "closed" nature of the Japanese market, he said Japan should quickly abolish its unfair import restraints on raw silk and silk fabrics.

MAC MEETING WITH U.S. REQUESTED FOR 30 NOVEMBER

SK270331 Pyongyang Domestic Service in Korean 0300 GMT 27 Nov 85

[Text] Our side of the MAC requested to the U.S. side that the 431st MAC meeting be held at 1100 on 30 November 1985.

NODONG SINMUN ON ARMY COMMANDERS MEETING IN SOUTH

SK230515 Pyongyang KCNA in English 0507 GMT 23 Nov 85

[Text] Pyongyang November 23 (KCNA) -- On November 21 the South Korean puppets held a "meeting of principal commanders of the puppet army" aimed at the "completion of war posture". This comes under fire in the press today.

A signed commentary of NODONG SINMUN says: At a time when a multi-channeled dialogue is in progress between the North and the South, the puppets, far from taking steps for the relaxation of tension, are absorbed in war intrigues for the "completion of war posture". This is unjustifiable and intolerable. In a bid to justify their war moves, the puppet clique made the trite jargon about "surprise southward invasion".

At the meeting the puppet defence minister piffled that the North is increasing armed forces and it is expected to make "provocations" in an attempt to obstruct the 1986 Asian Games and the 1988 Seoul Olympiad and create social instability, and it is the paramount task to maintain "full combat readiness". The puppets have gone the length of vilifying our proposals for parliamentary talks and other North-South dialogues and efforts for their successful progress, blaring that they are not for the solution of the Korean question, but for "communizing the South". Such false propaganda, however, will not help them veil their bellicose nature.

The Chon Tu-hwan group's paying lip-service to the "improvement of relations" through dialogue is nothing but a smokescreen for covering up its sinister intention to mount a northward assault. The puppets seek to get anything through confrontation by "strength". However, it will only bring into bolder relief their treacherous nature in opposing both dialogue and peaceful reunification and seeking only a war against the North and precipitate their isolation and destruction.

SOUTH'S 'NEW VILLAGE MOVEMENT' PLUNDERS TOWNS

SK240953 Pyongyang KCNA in English 0902 GMT 24 Nov 85

[Text] Pyongyang November 24 (KCNA) -- The puppet Chon Tu-hwan appeared at a "meeting of youth and children for enlisting their wisdom in the new village movement" on November 19 and cried that they should take the van in increasing the productivity of agriculture and fisheries in the "new village movement".

This is the topic of a signed commentary of NODONG SINMUN Sunday titled "Swindlers' Plot," which says: there is no change in any village, although the "new village movement" has been propagandized for 10 years in South Korea. The headquarters of the "new village movement" collected a large amount of money from the peasants in the past five years allegedly to build "new villages". But no one knows where the money has gone.

The "new village movement" is nothing but a showy signboard for justifying the plunder of the rural villages.

The "new village movement" is, by origin, a fraud. In the capacity of its "chairman," Chon Yong-hwan, younger brother of Chon Tu-hwan, committed financial scandals in 1983 alone involving 1,923 million won, such as misappropriation and illicit loan from the "safe of new village movement", the fruits of the people's painstaking efforts. The money amounts to a countless sum when the profits from this safe pocketed by Chon Tu-hwan and his faithful servants and the large fortunes they have reaped by trading with them are added to this.

It was also for plunder that traitor Chon Tu-hwan, the mastermind of corruption, showed it intention to force youth and children into what they call "new village movement". The only way out for the South Korean countryside is to liquidate the colonial and semi-feudal exploiting system by realizing independence and democratization of society.

NODONG SINMUN ON ENHANCED ROLE OF INTELLECTUALS

SK200447 Pyongyang KCNA in English 0427 GMT 20 Nov 85

[Text] Pyongyang November 19 (KCNA) -- NODONG SINMUN today comes out with a signed article titled "The Correct Policy Which Enhanced the Role of Intellectuals", which reads in part:

To correctly raise and solve the question of intellectuals is one of the questions of principle arising in leading the building of a new society by a working class party. The great Leader Comrade Kim Il-song put forward in the early period the original idea for correctly solving the question of intellectuals and has successfully implemented it.

The question of intellectuals is of weighty importance in defining the motive power of the revolution. To see intellectuals as the motive power of the revolution or not poses particularly important in the first period of the revolution when the working class started the building of a new society after seizing power. Historical experiences show that, if a working class party fails to solve the question of intellectuals correctly after taking power, it cannot powerfully push ahead with the building of a new society.

Our party defined the intellectuals as its component and a motive power of the revolution already in the first days of the building of a new society. The validity of our party's policy in defining the intellectuals as the motive power of the revolution lies, first of all, in making it possible to constantly enhance the position and role of the intellectuals as a part of the masses of the working people.

The intellectuals who came into being at a certain historical stage of social development actively contribute to the creation and development of science and technology, literature and art, necessary for reshaping the world and serve the society with their mental creative activities in any society. Without intellectuals and their positive activities, a speedy development of science and technology, literature and art is unthinkable and the social progress cannot be expected.

Of course, the intellectuals have a high technical and business-like quality compared to those who have not received a systematic education and have greater creative ability than the latter. But such creative ability of theirs cannot be displayed of its own accord it can be given full scope only when the intellectuals are recognized and put in service as a motive power of the revolution and their role is enhanced.

The validity of our party's policy in defining the intellectuals as the motive power of the revolution also lies in making it possible to achieve the political and ideological unity of society and increase the might of the revolutionary ranks in every way.

Nothing is more important than to strengthen the unity and might of the revolutionary ranks in winning the victory of the revolution and it is one of the questions of principle here how to solve the question of the intellectuals. If this question is to be solved correctly, it is required above all to trust the intellectuals, put them in service and lead them ahead. Not to correctly recognize the role of intellectuals in the revolution and construction means to ignore science and technology. This, in consequence, bars many intellectuals from actively participating in the revolutionary struggle and hinders the increase of the might of the revolutionary ranks. Victory can hardly be expected in any struggle without the active struggle of intellectuals. But this does not mean that one may neglect guiding the intellectuals, overestimating their revolutionary character.

The intellectuals are weaker in the revolutionary character than the working class in every respect due to their limitation. Only when they are constantly educated and remoulded and made revolutionary intellectuals of the working class can they truly contribute to the revolution and construction and do justice to their share in social development. The validity of our party's policy in defining the intellectuals as the motive power of the revolution has already been proved clearly by our revolutionary practice.

Our country which was very backward in the past days is today displaying its grand appearance as a powerful socialist state of independence, self-sustenance and self-defence. This is unthinkable apart from the wise leadership of our party which solved the question of the intellectuals with originality. The respected leader Comrad Kim Il-song, basing himself on a scientific analysis of the characteristics of the old intellectuals of our country who had anti-imperialist revolutionary spirit and patriotic idea and their position and role in the building of a new society, defined them long ago as the motive power of our revolution and has led the revolution and construction by actively mobilizing their creative ability. Our party today directs greater attention to the role of intellectuals than ever before, sparing nothing for them.

PAK SONG-CHOL AT JUDICIAL ORGANS COMMEMORATION

SK190527 Pyongyang KCNA in English 0516 GMT 19 Nov 85

[Text] Pyongyang November 19 (KCNA)--A central meeting was held Monday at the People's Palace of Culture to mark the 40th anniversary of the founding of the judicial and prosecution organs on November 19, 1945. A congratulatory message to the entire judicial officials and prosecutors and arbitrators from the Central Committee of the Workers' Party of Korea was read out at the meeting by Pak Song-chol, member of the Political Bureau of the WPK Central Committee and vice-president of the DPKK.

The message said that since their founding the judicial and prosecution organs have covered a path of victory and glory in the acute and complicated class struggle and performed big exploits for the country and the people under the wise guidance of the party and the leader. The message highly praised the officials in this domain for having made a great contribution to the cause of our revolution by successfully implementing the party's judicial policy.

A report was delivered at the meeting by Yi Yong-ik, secretary of the Central People's Committee. The reporter said that the great leader President Kim Il-song, basing himself on a scientific penetration into the complicated situation created owing to the U. S. imperialists' occupation of South Korea and the moves of the counter-revolutionary forces after the country's liberation, founded the administration of justice on November 19, 1945 to carry out with credit the cause of founding of the popular judicial and prosecution organs in Korea.

With the founding of the judicial and prosecution organs our revolutionary power of workers and peasants came to have its powerful organ for revolutionary dictatorship, the reporter said, and continued: Dear Comrade Kim Chong-il took revolutionary measures for further improving and strengthening the judicial and prosecution work to meet the demand of the revolution developing onto a new higher stage to model the whole of society on the chuche idea and published works including "on strengthening socialist law-abiding life" to give perfect answers to all theoretical and practical problems arising in the judicial and prosecution work, firmly built up the ranks of judicial officials, prosecutors and arbitrators, and gave meticulous guidance to their work.

As a result, the militant function and role of the judicial and prosecution organs have been raised as never before and the judicial and prosecution organs have become able to successfully discharge their honorable mission as a powerful weapon of our revolution vigorously advancing under the banner of chuche. A letter of pledge was adopted at the meeting.

USSR ENVOY TO JAPAN SPEAKS AT FRIENDSHIP MEETING

SK260920 Pyongyang Domestic Service in Korean 1100 GMT 25 Nov 85

[Text] A Soviet Union-Korea friendship gathering was held on 22 November under the auspices of the Soviet Embassy in Japan at its Tokyo Embassy. Invited to the meeting were Han Tok-su, chairman of the Chongnyon Central Standing Committee; Yi Kye-paek, So Man-sul and Paek Chong-won, deputy chairmen; directors of bureaus; responsible functionaries from (?independent) organizations, and Chongnyon functionaries including the chairman of Tokyo Municipal Headquarters of Chongnyon.

Soviet Ambassador to Japan Abrasimov and other embassy staff members and their families attended the gathering. Soviet Ambassador Abrasimov made a speech at the meeting. He said that this year is of special significance to the people of the Soviet Union and Korea since it marks the 40th anniversary of the victory in the struggle against the German fascists and the Japanese imperialists, the 40th anniversary of Korea's liberation, and the 40th anniversary of the founding of the WPK.

He noted that the Soviet people, who have firmly stood on the side of the fraternal Korean people for the past 40 years, are very satisfied over the fact that USSR-Korean relations are deepening and developing with each passing day. Stressing that the meetings of party and state leaders of the Soviet Union and Korea are of great significance in further strengthening and developing the manifold relations between the two sides, he said that the official friendship visit to the Soviet Union by the DPRK party and state delegation led by Comrade Kim Il-song last year was a great event, which opened a new chapter in developing the friendly and cooperative relations between the two countries.

He pointed out that the proposals for peace put forth recently by the DPRK were realistic proposals which are indispensable to providing the preconditions for achieving the independent and peaceful reunification of the nation. Thus, he expressed firm belief that national reunification -- the Korean people's ardent desire -- will be achieved without fail. Noting that the 30th anniversary of the founding of the Chongnyon was significantly marked this year, he expressed his respects for the manifold activities of Chongnyon.

Following his speech, Chairman Han Tok-su made a speech. Extending warm congratulations to the Soviet friends, who significantly greeted the 68th anniversary of the October Socialist Revolution, he said that he rejoices over the brilliant successes won by the Soviet people in revolution and construction from the October Revolution to date.

He said: The Korean people will always remember the fraternal Soviet people, who helped the Korean people's cause for the nation's liberation with blood and who extended unsparing support and encouragement during the fatherland liberation war against the U.S. imperialists.

The Korean people are grateful to the Soviet people for their active support and encouragement to our cause of national reunification.

Noting that firm, unshaking friendship and cooperative relations have been achieved today between the two parties, the two governments and the two peoples of Korea and the Soviet Union, he stressed that the relations between Korea and the Soviet Union have entered a new stage of development prompted by the official friendship visit to the Soviet Union by the great leader Marshal Kim Il-song last year.

He sincerely wished the fraternal Soviet people greater success in their struggle to build an advanced socialist society and to safeguard world peace, and hoped that the friendship and cooperative relations between the peoples of Korea and the Soviet Union will be further strengthened and developed.

Performances by Soviet artists and members of Chongnyon's opera troupe were staged at the gathering.

The meeting proceeded in an amicable atmosphere from beginning to end.

PROSPECTORS SECURE COAL DEPOSITS IN NORTH REGION

SK261022 Pyongyang KCNA in English 1012, GMT 26 Nov 85

[Text] Pyongyang November 26 (KCNA) -- Coal deposits enough for the excavation of dozens of years have been secured in the northern coal field, one of the leading raw material and fuel bases of Korea.

The coal prospecting teams and coal mine builders of the northern region have acquired great quantities of coal deposits this year, and built new pits extending thousands of metres at the Hakdong, Hamyon, Soksong, Nongpo and Kukdong coal mines.

The yearly plan for securing coal deposits was carried out already at the end of October in the Saebyol area, the most promising spot in the northern coal field.

The coal prospecting teams of the northern region have replaced their prospecting equipment such as test drills with modern and high-speed ones and increased the proportion of physical prospecting in recent years.

As a result, the coal deposits they secured annually over the last two or three years were 2.5 times those at the end of the 1970's.

The June 13, Kogonwon and many other coal mines developed long ago have secured coal reserves for more than 50 years' excavation.

Meanwhile, five new coal mines large in scale are under construction in the southern and northern districts of the coal fields.

The builders of the Hakdong coal mine, which will be the biggest in the northern coal field, have already carried out the plans for capital tunnelling and pit concreting in the construction area and completed the construction of more than 20 objects, thereby beginning partial coal production some time ago.

COMMENTARY ON MEETING OF SOUTH'S MILITARY LEADERS

SK260457 Pyongyang Domestic Service in Korean 1149 GMT 22 Nov 85

[Unattributed commentary: "National Defense Policy Which Has Laid Bare the Real Intentions"]

[Text] According to a report, there was a year-end meeting of the puppet military leaders at the puppet Ministry of National Defense 21 November. It is reported that the meeting reviewed and analyzed the so-called affairs of the armed forces for the past 1 year period and issued major national defense policies for 1986.

The result of this meeting, attended by the bellicose leaders of the three services of the puppet armed forces, well reveals the aggressive nature of the Chon Tu-hwan military fascist clique. This is well shown by the major defense policies for nevolgtzr which are said to have been issued at the meeting and by their remarks at the meeting.

In the major defense policies issued at this meeting, the puppet military leaders said that someone is desperately seeking to wage a surprise attack and invade the South through a massive arms buildup and made absurd outbursts that the puppet army should prepare itself to wage a successful battle in the initial stage of war and establish combat readiness to cope with this situation so as to crush any of the enemy's provocations instantly.

The so-called speech at the meeting by the puppet defense minister more openly reveals the bellicose contents of these ambitious major defense policies. The puppet defense minister, speaking on the defense policies for 1986, stressed the productive management of the defense budget, management of defense resources, establishment of combat readiness to successfully meet the initial stage of war, night-time training and joint training exercises, and active operational readiness, and raved that he will strongly push them forward.

As one can judge from the Chon Tu-hwan puppet clique's real actions, so-called someone's arms buildup, southward invasion, and provocation, which they babble about as a pretext of their next year's major defense policies, are a nonsensical lie upsetting the truth. This is a filthy tactic habitually employed by the puppet Chon Tu-hwan ring to justify its aggressive maneuvers.

The fact that we have no intention of invading the South is well-known to the world. The real danger on the Korean peninsula is not the threat of southward invasion but the threat of northward invasion. This is well proven by the adventurous acts of the puppet Chon Tu-hwan clique, which is seeking the line of division and confrontation and constantly aggravating the situation in the country.

Today, the puppet Chon Tu-hwan clique, under the instigation of the U.S. imperialists, is staging frenzied war exercise rackets almost every day, with the entire area in South Korea as its operational stage. In the air, land, and sea a single day when the sound of explosions is not heard, when a bomb is not exploded, and when the roar of a gun is not heard. The fact that the operation area of the war exercises staged by the puppet clique is approaching closer to the Military Demarcation Line and that their intensity is increasing clearly prove that they are designed to complete the combat preparations to realize the ambition for northward invasion.

Although the puppet Chon Tu-hwan clique raves about someone's military provocations, it was always this clique that led the situation in the country to the brink of war by such a piratic military provocation as the 18 August Panmunjom incident and the Panmunjom shooting incident last year. The so-called major defense policies for next year, which were formulated at the meeting of the puppet military leaders speaking for the will of traitor Chon Tu-hwan, originate from their intention to further complete their combat readiness for northward invasion. It is because of such a wicked and treacherous ambition that the puppet Chon Tu-hwan clique is today assuming a very insincere attitude in the North-South dialogue, inspiring confrontation and division.

If the puppet Chon Tu-hwan clique truly desired an alleviation of tension and had no ambition for northward invasion, why would it so stubbornly reject our peace proposal for opening North-South parliamentary talks and publishing a joint declaration of nonaggression pledging not to fight between the North and South?

The real intention is to be judged not by words but by real action. Although the puppet clique outwardly talks about dialogue, it raves about sure victory in the initial stage of war, seeking the line of confrontation and war. This clearly reveals to the world the wicked nature of the puppet clique, seeking only the perpetual division of the country and provocation of an aggressive war.

Lessons teach us that those who ignore the people's aspirations and seek confrontation and war will, without exception, not escape the stern trial of history. The puppet Chon Tu-hwan clique should bear this in mind.

NODONG SINMUN ON WORKERS MATERIAL INCENTIVES

SK251204 Pyongyang Domestic Service in Korean 2128 GMT 23 Nov 85

[NODONG SINMUN 24 November special article: "Fundamental Ways To Boost the Working People's Desire To Produce"]

[Text] Boosting the working people's desire to produce ceaselessly is most important in successfully stepping up socialist construction. One of the important issues arising from this is to intensify the material incentives for the working people by increasing the production of goods.

Revolution and construction are carried out by the working people. Accordingly, success in socialist construction depends on mobilizing the revolutionary zeal of the people. Boosting the revolutionary zeal of the people is a demand arising from the nature of the socialist system. Only when the revolutionary zeal of the people is ceaselessly boosted can the superiority of the socialist system be displayed and socialist construction be carried out vigorously.

A fundamental way of mobilizing the people in socialist construction is to give material incentives along with political and moral incentives. The great leader Comrade Kim Il-song has taught: Economic and technical work must be properly carried out, while enhancing the leading role of the party and giving priority to political work. At the same time, material incentives must be given, while enhancing the level of the political consciousness of the working people. This is the fundamental way of our party to mobilize the people for socialist construction.

A fundamental way of boosting the working people's desire for production in socialist society and having them adopt an attitude worthy of masters of production is to intensify political and moral incentives by giving priority to work with the people -- political work. This is a demand arising from the essence of the chuche idea. Only when the working people's revolutionary zeal is boosted by intensifying the political and moral incentives for labor can production be increased and economic management be conducted successfully.

To boost the working people's desire to produce, material incentives must be correctly applied along with political and moral incentives. Of course, all our working people are working with the lofty political zeal and creativity for the party and the revolution as well as for the prosperity and development of the country. In our society workers, farmers, working intellectuals, and all other working people are not working for any remuneration or material incentives. But functionaries must adhere to various organizational work to improve the people's standard of material and cultural life.

The political consciousness of the working people is even more vigorously displayed only when affluent and civilized lives are guaranteed. Through their material and cultural lives, workers, farmers, working intellectuals, and all other working people realize the superiority of the socialist system of our party and display their lofty revolutionary zeal to repay the benevolence of the party and the leader.

The socialist society is a communist society. At the same time, it is a transitional society. Therefore, this society still has the ideological, technical, and cultural backwardness as well as a class gap -- the remnants of the old society. At the same time, egoism and authoritarianism -- the remnants of old ideas -- still linger in the heads of the working people. Therefore, in socialist society where a fundamental labor gap still exists and where the remnants of old ideas still linger in the heads of the people, political and moral incentives are not enough to boost the working people's desire to produce. Since the working people have a material interest in the results of their labor, it is important to provide material incentives for the people's desire to produce.

Demands which more strongly stimulate the people's life will more actively inspire the people's activities. The promotion of the worker's standard of living and the consumption demand for goods are closely linked with each other. Thus, the increase in production of goods is one of the essential methods for smoothly guaranteeing the material and cultural demand of the people.

Thanks to the superior socialist system in our country and the correct communist policy of our party, our people are enjoying a happy life without worrying about clothes, food or shelter. Everyone wants to live with better quality consumer goods of all kinds.

Our people demand various better-quality daily necessities that satisfy the sense of the times. It is important to produce more clothes, shoes, household furnishings, kitchen supplies, stationery and cultural goods in accordance with the people's taste and demands.

When a large quantity of such goods are supplied to cities and farms, the workers and peasants will actively participate in production and construction with a stronger will for production and will demonstrate a lofty sense of devotion.

Increasing the production of goods is a basic condition for smoothly realizing socialist distribution through labor. Distribution through labor in socialist society is basically made through money. However, the distribution through labor by paying money cannot perfectly satisfy the workers' material and cultural life. In order to totally achieve socialist distribution through labor, the money which the workers received as income can be exchanged for the goods they demand.

Today the substantive income of our workers is enormous. The living expenses that the workers receive are increasing with each passing day on the basis of the superiority of socialist economic system and the constant enhancement of production. Today, thanks to the superior communist policy implemented by our party, every one of our people are benefited by the addition of the living expenses they receive from the state.

Smoothly meeting and practically increasing the workers' income depends on how sufficiently we produce goods. When the workers are able to smoothly purchase the goods they need with money income, socialist distribution through labor can be realized finally.

Herein lies the great significance of increasing the production of goods to achieve the demands of the principle of socialist distribution through labor. What is important in producing and supplying goods is increasing the kinds and quantities of goods and promotion of their quality so that all workers can buy the goods they require at any time and any place. Such goods as fabrics and clothes are very important in solving the problem relating to clothing. We should produce a large quantity of various fabrics that can satisfy the people's taste including vinalon and [word indistinct] and other synthetic fabrics produced in our country by developing the textile industry. We should also produce a large quantity of knitted clothes that are convenient for the people to wear and that look good.

When we sufficiently supply nice-looking durable shoes, various convenient daily necessities, cultural goods and school supplies to the people by developing the shoe manufacturing industry and the industry of daily necessities, their lives will be more abundant. In domain of the food industry, we should produce and supply delicious foods demanded by the people at inexpensive prices in accordance with the consistent policy of our party.

In order to increase the production of goods, we should vigorously accelerate the light industrial revolution as required by the party. Our party clearly elucidated the direction and methods for increasing the production of goods in various sectors of the national economy, including the light industry sector, and ensured all necessary conditions.

When all functionaries effect a great turning point in production of the people's consumer goods by properly organizing production control, good-quality goods will be overflowing in department stores and stores and greater innovations will be effected in production and construction.

NODONG SINMUN ON ROLE OF PLANT FUNCTIONARIES

SK260530 Pyongyang Domestic Service in Korean 2124 GMT 24 Nov 85

[NODONG SINMUN 25 November editorial: "Let Us Further Enhance the role of Plant and Enterprise Functionaries"]

[Text] Recently, our party put forth important tasks for further improving socialist economic management and normalizing production in all sectors of the national economy. We should more reasonably organize complexes in accordance with the intent of the party, strengthening their role and functions, and should more highly enhance the independence and creativeness of plants and enterprises in business management.

Reality demands further enhancement of the responsibility and role of functionaries in the production units. The lowest units of production are in a very important position in terms of advancing socialist construction and promoting the people's standard of living.

Only when the work of plants and enterprises is carried out well can we overfulfill the production targets and supply more goods to stores and farms. The guiding functionaries of plants and enterprises, including managers, are assigned the important mission of organizing and implementing the struggle to carry out economic tasks, including fulfillment of production and construction plans.

Today, the Hwanghae Iron Complex, the Kim Chaek Iron Complex and the Chollima Steel Complex are doing well. Innovations are being effected in the mining industry. The fact that production of iron and steel and coal and ore is increasing creates a favorable condition for expanding production and construction in all domains of the national economy.

Functionaries of all plants and enterprises should carry out the economic tasks assigned to their units in a responsible manner by properly taking advantage of today's favorable conditions.

The great leader Comrade Kim Il-song has taught: The economic guidance functionaries should more effectively organize the economic organizational work and carry out production command in a responsible manner. They should operate all plants and enterprises at full capacity and normalize the production at a high level. They should, without fail, fulfill the daily, 10-day, monthly, and quarterly economic plans.

What the functionaries in production units should pay primary attention to at present is to produce more and construct more with the existing facilities, existing materials, and existing manpower. The plant and enterprise functionaries should fulfill, without fail, the daily, weekly, and monthly state plans with their own strength by mobilizing inner reserves to the maximum and operating the existing facilities at full capacity. The functionaries should vigorously struggle to produce more with less material and manpower by using innovative technology and rationalizing the production process.

In particular, it is important to substantively carry out the work of guaranteeing materials, production organization, and management of facilities and technology. The functionaries of the party committees in plants and enterprises should encourage the functionaries and workers to implement the party's guidance for production by giving precedence to fulfillment of the state plans without fail by mobilizing their own strength and inner reserves.

With the awareness of being masters and with high zeal, functionaries at plants and enterprises should positively struggle to increase productivity at their units, to modernize techniques and equipment, and to improve the quality of goods.

Functionaries at the Nampo glass plant and at the Pyongyang tobacco plant have attained great success in developing technology and in expanding productivity by carrying out work in a revolutionary manner with a high sense of responsibility. These plants have laid a firm foundation for increasing the level of modernization of techniques and equipment and the production quantity of goods and for epochally improving the quality of goods. The production buildings and modern machine equipment provided through the independent effort of the plants have opened a prospect for producing greater quantities of better quality goods to meet the daily-increasing demands of the people and the trend of the time. Conditions at these plants are by no means better than those at other plants.

The secret lies in the fact that the functionaries of the primary party committees at the plants and economic functionaries have carried out their work in a bold manner and correctly supervised production activities, realizing the importance of the mission of their plants. By organizing work with scientists and technicians and by correctly combining party work with economic work, the functionaries of the primary party committees at the plants have attained great success in increasing the modernization level of all facilities and equipment, including the levels of the implementation of state plans, of the conservation of raw materials, and of production processes, as well as in increasing the variety of products and in improving the quality of goods.

The experience of these functionaries shows that when guidance functionaries at production units carry out their work in a responsible manner by adopting an attitude worthy of masters of the revolution, all plant and enterprises can successfully accomplish their mission in socialist construction. Functionaries at plants and enterprises should, along with carrying out their current assigned tasks, correctly formulate a prospective plan for increasing production and construction at their units, for improving the quality of products, and for increasing the quantity of goods, should implement and carry out these plans and tasks through their own efforts; and should vigorously carry out the work of modernizing machine equipment at their units without imposing a burden on the state.

Production guidance functionaries, including plant managers, should have strong faith in victory. Guidance functionaries at plants and enterprises should always defend, in a responsible manner, the outposts assigned to them by the party and should operate these outposts with an attitude worthy of masters.

Functionaries should tenaciously forge ahead with all work with the spirit of bravely fording raging rivers and traversing muddy paths and with passion and a fighting spirit. They should also resolve problems through their own efforts.

Party organizations should positively help production guidance functionaries continually and vigorously forge ahead with economic work, including the implementation of plans, with strong zest for work.

Primary functionaries in production units are supervisory personnel who work and live in much closer association and contact with the production masses than anyone else. Accordingly, the example they set will exercise great might in mobilizing the masses. Workshop and work team leaders at plants and enterprises should take the vanguard, among the masses, by tackling difficult and arduous work ahead of others. In particular, party functionaries should carry out work with people -- political work -- at the scenes of action where the production masses carry out their work, by working together with the production masses. It is important for them to set an example in all work for the masses by personally resolving knotty problems.

The managers of plants and enterprises, including industrial complexes, should carry out production and management activities in a rational manner by concentrating on the work of correctly implementing the independent accounting system.

The functionaries of the planning, production guidance, and business sectors should formulate and thoroughly implement practical plans suiting the overall requirements for the development of the people's economy and the situation of their sectors, should rationalize the organization of production and management to the maximum, and should correctly carry out the work of reducing the cost price of products and of increasing profits at enterprises.

Party functionaries should make the party's intent to improve the management of enterprises deeply permeate the masses and should correctly guide those concerned in correctly meeting the requirements for combining political and moral stimulation with material stimulation.

CONSULAR AGREEMENT WITH PRC SIGNED 26 NOVEMBER

SK261511 Pyongyang KCNA in English 1506 GMT 26 Nov 85

[Text] Beijing November 26 (KCNA) -- A consular agreement between the Democratic People's Republic of Korea and the People's Republic of China was signed in Beijing on November 26.

Present at the signing ceremony on our side were Vice-Premier and Foreign Minister Kim Yong-nam, Vice Minister of Foreign Affairs Kim Chung-il and Korean Ambassador Extraordinary and Plenipotentiary To China Sin In-ha and on the opposite side were State Councillor and Foreign Minister Wu Xueqian, Vice-Minister of Foreign Affairs Liu Syuqing, Assistant to the Foreign Minister Qi Huaiyuan and Chinese Ambassador Extraordinary and Plenipotentiary to Korea Zong Kewen.

The agreement was signed by Vice-Premier and Foreign Minister Kim Yong-nam and State Councillor and Foreign Minister Wu Xueqian.

KPA FRIENDSHIP GROUP LEAVES FOR VISIT TO PRC

SK261048 Pyongyang KCNA in English 1039 GMT 26 Nov 85

[Text] Pyongyang November 26 (KCNA) -- A friendship visiting group of the Korean People's Army headed by KPA General Kim Pong-yul left Pyongyang today by plane for a visit to China.

It was seen off at the airport by Colonel General of the Korean People's Army Pak Chung-kuk and Charge d'Affaires ad Interim of the Chinese Embassy in Pyongyang Pei Jiayi.

CHON DECORATES SUZUKI WITH DIPLOMATIC ORDER

SK260738 Seoul YONHAP in English 0717 GMT 26 Nov 85

[Text] Seoul, Nov. 26 (YONHAP) -- South Korean President Chon Tu-hwan Tuesday decorated Zenko Suzuki, former Japanese prime minister, with the Grand Kwanghwa Order of Diplomatic Service Merit. Suzuki paid a courtesy call on the Korean president at Chongwadae, the presidential residence.

Earlier in the day, Suzuki paid a courtesy call on Onno Sin-yong, Korean prime minister, at his office. They discussed mutual concerns between Seoul and Tokyo. Suzuki is now visiting Seoul at the invitation of Yi Chae-hyong, speaker of the National Assembly.

Press Conference

SK271004 Seoul YONHAP in English 0947 GMT 27 Nov 85

[Text] Seoul, Nov. 27 (OANA-YONHAP) -- Zenko Suzuki, former Japanese prime minister, expressed optimism Wednesday on the prospects for the establishment of diplomatic relations between South Korea and China. Seoul and Beijing have already begun exchanges in sports and other non-political areas, and if the two countries develop further the relations, the establishment of diplomatic ties would be possible before long, Suzuki told a press conference here.

The Japanese leader arrived here Monday for a four-day visit at the invitation of Korean National Assembly speaker Yi Chae-hyong.

Suzuki further said that he was willing to cooperate in normalizing the Seoul-Beijing relations because it will contribute greatly to the stabilization in Northeast Asia as well as to the world peace. Suzuki said he got the impression that Korea is a country full of vitality during his meetings with Korean leaders, including President Chon Tu-hwan and political party leaders, and that the country would be able to host the 1986 Asian Games and the 1988 Summer Olympics successfully.

The former prime minister said the matter of bilateral trade imbalance, in favor of Japan, is gradually improving now after Korea's remarkable economic growth. He is scheduled to return to Tokyo Thursday after visiting the cities of Kyongju and Pusan.

ALBUM FIRMS SEEK INDIRECT EXPORTS TO U.S.

SK270259 Seoul YONHAP in English 0253 GMT 27 Nov 85

[Text] Seoul, Nov. 27 (OANA-YONHAP) -- Korean album manufacturers, in an effort to bypass the recent U.S. anti-dumping ruling against their products, are studying ways to export albums indirectly to the United States, through the establishment of joint-venture firms in Central and South American countries.

Business sources here said Wednesday that four or five companies in Panama, Costa Rica and the Dominican Republic have conveyed their intention to establish joint-venture firms with Korean album manufacturers. A Korean mission is scheduled to leave soon for Central and South America, where it will assess the market for photo albums and discuss concrete arrangements for the establishment of joint ventures, the sources said.

If Korean manufacturers ship raw and subsidiary materials to Central and South American nations for the production and export of albums to the United States, it would be a profitable venture for them, the sources said. Because of the low wage level of employees in those countries. There are certain limitations to the plan, however, including high transportation costs.

JAPAN TO ASK FOR USSR HELP IN INTER-KOREAN TALKS

SK270053 Seoul THE KOREA HERALD in English 27 Nov 85 p 1

[Text] Tokyo (YONHAP) -- The Japanese Foreign Ministry intends to bring up Korean affairs in a Japanese-Soviet foreign ministers' meeting scheduled for Tokyo in mid-January, and ask for Soviet cooperation to spur inter-Korean dialogue and to realize the participation of North Korea in the 1988 Seoul Olympics, a leading newspaper said Tuesday. The YOMIURI SHIMBUN said the Japanese Foreign Ministry believes that the U.S.-Soviet summit at Geneva should have a favorable effect on the situation on the Korean peninsula, which faces an important turning point in the dialogue between South and North. A top official of the ministry reportedly said he thinks it possible even to realize a meeting between the top authorities of South and North Korea in the near future as President Chun Tu-hwan had earlier proposed, and that his ministry would closely watch the direction of inter-Korean dialogue. The daily said the Foreign Ministry would pay attention to the first scheduled official visit to Pyongyang by Soviet Foreign Minister Eduard Shevardnadze on his way home from the Tokyo meeting. The unidentified official was quoted as saying that at Geneva, U.S. Secretary of State George Shultz and Shevardnadze shared the perception that the ongoing inter-Korean dialogue means a significant turnabout of the situation on the peninsula.

The Japanese Foreign Ministry expected that during his visit to Pyongyang, Shevardnadze would discuss the inter-Korean dialogue, North Korean participation in the Seoul Olympic Games, the relationship between North Korea and China, and the hereditary succession to power by Kim Chong-il with Kim Il-song and other North Korean leaders, which may contribute to a stabilization of the situation on the Korean peninsula, the Yomiuri said.

FOREIGN MINISTER YI VISITS KUWAIT, BAHRAIN

For KUNA and WAKH reportage on the visits to Kuwait and Bahrain by Foreign Minister Yi Won-kyong, including his meetings with Kuwaiti Amir Jabir al-Ahmad al-Sabah and Bahraini Amir Sahykh 'Isa ibn Salman Al Khalifah, see the Kuwait and Bahrain subsections of the Arabian Peninsula section of the 26 November Middle East & Africa DAILY REPORT and subsequent issues.

YU CHE-YON APPOINTED NEW NKDP SECRETARY GENERAL

SK250757 Seoul YONHAP in English 0718 GMT 25 Nov 85

[Text] Seoul, Nov. 25 (OANA-YONHAP) -- Yi Min-u, president of South Korea's major opposition New Korea Democratic Party (NKDP), Monday appointed Rep. Yu Che-yon as the party's secretary general. Yu, 51, replaces Rep. Yi Yong-hui, who recently resigned in connection with the controversial election of a National Assembly vice speaker in late October. In a parliamentary vote, the former secretary general failed to get elected as vice speaker, despite his party's official nomination, mainly because of disaccord between the NKDP and the ruling Democratic Justice Party (DJP). The newly-named secretary general served in the Eighth and Ninth National Assemblies between 1968 and 1973. He has been chief director of the Sinpyong Middle and High School Foundation since 1965.

THAI PAPER ON SRV MOVES FOR DRY-SEASON OFFENSIVE

BK270121 Bangkok BANGKOK POST in English 27 Nov 85 p 5

[Excerpt] Vietnam has moved about 12,000 fresh troops, 70 battle tanks and an unspecified number of artillery pieces into Kampuchea in preparation for the dry-season offensive, according to a radio broadcast of the Khmer People's National Liberation Front monitored in Aranyaprathet District yesterday. The broadcast also said that the troops, tanks, 155-mm and 130-mm guns were deployed in Pursat, Battambang, Pailin, Oddar MeanChey and Preah Vihear. Thai and Khmer Rouge military sources in Aranyaprathet confirmed yesterday that Vietnam moved two battalions from Phnom Penh to Pailin last week. About 350 Khmers were also mobilised from Battambang to repair roads and bridges in Pailin. The sources also said that about 8,000 Vietnamese troops from the 479th division had already been moved from the northern part of Pursat to the Thai-Kampuchean border opposite a Khmer Rouge stronghold just across Chanthaburi's Ban Laem District.

The sources also confirmed the distribution of about 100,000 antipersonnel landmines and a large quantity of explosives to Vietnamese forces along the Thai border. It is reported that the troop build-up and the distribution of landmines is part of Hanoi's "K-5" plan to dislodge the remaining resistance redoubts and then seal the entire border. Sporadic fighting between the Khmer Rouge and Vietnamese occupation forces continued into the fourth week in an area west of Pailin in Kampuchea, a Thai Navy spokesman said yesterday. The spokesman, Rear Admiral Dilok Phattharadoson, said stray artillery and mortar shells fired by Vietnamese gunners occasionally fall on Thai territory. He said that Sunday saw 40 mortar and artillery shells fall on the Thai village of O-Lamchiak, six kilometres from the border, during which the Khmer Rouge and the Vietnamese forces were engaging in fierce fighting along mountainous areas northwest and southwest of Pailin. He said four 105 mm artillery shells landed yesterday at Ban Phak Kat, 10 kilometres from the border. Meanwhile Thai military officials believe that the Khmer Rouge is stepping up military operations in central regions, particularly around the strategic Tonle Sap and Phnom Penh areas, indicating the Khmer Rouge's military capability in securing its logistical supply routes.

PRINCE RANNARIT WANTS 'NO ONE' OUT OF TAL

BK270123 Bangkok BANGKOK POST in English

5

[Text] Prince Rannarit, son of Kampuchean coalition guerrilla leader Prince Norodom Sihanouk, said yesterday that no one should be excluded from proposed informal talks to end the seven-year-old Kampuchean conflict. In a statement issued in Bangkok he said his father's suggestion of a cocktail party meeting would include opposing Khmer factions and countries involved or that have a special concern in the conflict. The statement, reported by REUTERS, was an apparent rejection of Indonesia's offer last week to host the proposed meeting but without the presence of Vietnam, China and the Soviet Union. It said it was irrelevant whether champagne and caviar or sake and rice cookies were served at the gathering. What is important is that in such an informal environment all parties involved will meet and talk. Sihanouk has said an informal gathering could lead to formal talks to end the conflict. The statement said that unless talks got underway it looks highly unlikely that a solution to the Kampuchean conflict will be found in the near future. Sihanouk heads the UN-recognized Coalition Government of Democratic Kampuchea (CGDK) fighting the Vietnamese-backed Heng Samrin government.

PASASON COMMENTARIES REVIEW GENEVA SUMMIT

Soviet Efforts Praised

BK221028 Vientiane KPL in English 0921 GMT 22 Nov 85

[Text] Vientiane, November 22 (KPL) -- The daily PASASON, in its commentary today, highly praises the Soviet efforts at the recent Soviet-U.S. summit meeting in Geneva for world peace and security.

The Geneva summit meeting, the paper says, is of paramount importance to the easing of the present complex situation and the promotion of peace and security in the world. Prior to the opening of the Geneva summit, the Soviet Union had spared no efforts to create favourable conditions for the meeting to obtain a positive outcome which could help stabilize world peace and security and prevent the nuclear war threat on earth. The Soviet Union had, on several occasions, set forth proposals and initiatives on the reduction of nuclear weapons and on the banning of their production and testing.

During the session in Geneva on Nov. 19, Mikhail Gorbachev firmly stated that his team came there with the noble mission of stopping the nuclear arms race and improving Soviet-U.S. relations and the international situation.

The Soviet Union's active contributions to the summit meeting together with its previous proposals have testified to its constant stance of struggling for world peace. This just and correct stance manifested in the Soviet Union's Leninist foreign policy has gained world-wide support and confidence, the paper concludes.

Outcome Hailed

BK260536 Vientiane Domestic Service in Lao 1400 GMT 21 Nov 85

[Undated PASASON commentary: "The Soviet-U.S. Summit Meeting Has Ended"]

[Text] The 2-day meeting between Mikhail Gorbachev, general secretary of the CPSU Central Committee, and Ronald Reagan, President of the United States, was concluded in Geneva on the afternoon of 20 November. At the end of the meeting, the leaders of the two countries gave their appraisal of the talks. This development is a firm step of great significance in world history because it could ease the present complex international situation so that genuine peace and security can be promoted in the world in accordance with the paramount aspirations of mankind and the urgent needs of the times. According to comments made by the mass media of many countries, especially those in the western countries, the 2-day Soviet-U.S. meeting was conducted in a reasonable, frank, and earnest manner. These comments plus the success of the talks, as anticipated, reflect a high sense of responsibility by both participants. This especially reflects the great efforts of the Soviet side during the historic summit meeting.

During the preparation period for the summit, the Soviet Union spared no effort to obtain a positive outcome of the meeting in response to the call of all peace-loving people throughout the world. This can be seen clearly in the numerous peace proposals advanced earlier by the Soviet Union, such as a proposal to halt nuclear arms tests and to drastically reduce the number of nuclear weapons on both sides. Prior to the meeting, in his encounter with a U.S. peace movement group and several important figures in Geneva on 19 November, Mikhail Gorbachev firmly emphasized that the Soviet delegation came to Geneva with a mandate to do everything in its power to obtain an agreement to halt the nuclear arms race so as to ensure a trend toward improving Soviet-U.S. relations and the international environment.

Therefore, the smooth proceeding of the meeting in accordance with the plan without any untoward incidents to spoil the prevailing good atmosphere clearly reflected the great contributions made by the Soviet Union in trying to settle many important international political issues and the problems regarding the inspection and limitation of the arms race so as to reduce and eliminate the threat of a nuclear war, reduce all types of weapons, and halt the extremely dangerous arms race.

This development, together with the consistent stance for peace of the Soviet side during the summit meeting, have convinced all peace-loving people throughout the world, including the American people themselves, to have more faith in the Soviet Union's Leninist policy of peace, and to render increasingly extensive support to the peace proposals and initiatives advanced by the Soviet Union.

NEW THAI AMBASSADOR PRESENTS CREDENTIALS

BK241326 Vientiane Domestic Service in Lao 1400 GMT 23 Nov 85

[Text] On the morning of 23 November, Souphanouvong, president of the republic and chairman of the Supreme People's Council of the LPDR, received credentials from Chaiya Chindawong, newly designated ambassador extraordinary and plenipotentiary of the Kingdom of Thailand to Laos. During his conversation with the guest, President Souphanouvong expressed the hope that the new Thai ambassador will positively perform his duties to contribute to strengthening good-neighborly relations and promoting the interests of the peoples of the two countries -- Laos and Thailand.

ARMY ISSUES INSTRUCTION ON NATIONAL DAY

BK250611 Vientiane Domestic Service in Lao 0430 GMT 20 Nov 85

[15 November instruction issued by LPA General Political Department on Lao National Day Celebration, signed by Army General Political Department head Major General Siphon Phalikhan]

[Text] To offices, organizations, and units in the regular and local forces throughout the country: The 10th anniversary of the establishment of the LPDR will be celebrated on 2 December. The past 10 years were a period of fierce, uncompromising, and complex trials between two lines -- socialism and capitalism -- in our country. Nevertheless, events in these years testify to the excellent character, firmness, and strength of our new system and shows the ceaseless and steady growth of our worker-peasant state under the talented and clear-sighted leadership of the LPRP.

For this reason, our party and state have decided to organize a grand, joyous, and massive nation-wide celebration of our great historical day on 2 December. To ensure the effective result of the celebration in accordance with the instruction dated 7 November issued by the Secretariat of the party Central Committee, the Army General Political Department thus instructs the various units to firmly grasp the following objectives, expectations, and details.

1. Objectives

We must carry out propaganda and training campaigns based totally on the tradition of the Lao people's heroic revolutionary struggle in the national liberation cause and the great all-round achievements recorded by the Lao people in their persistent and heroic struggle to defend the country and build socialism over the past 10 years.

We must promote and develop our revolutionary perseverance, pride, joy, and confidence; heighten our sense of responsibility and the spirit of mastering the party, Army, and people in the cause of socialist revolution under the party's leadership; mobilize all-round revolutionary emulation movements in a vigorous, profound, extensive, and continuous way in order to ensure the materialization of the various objectives contained in the seventh resolution and the instructions issued by the National Defense Ministry and the Army General Political Department; improve the new leadership and command mechanisms; gradually turn the Army into a modern and model army; and enthusiastically strive to score achievements to welcome the forthcoming anniversary of the founding of the LPA.

2. Content

We must point out the tradition of our LPA's heroic, persistent, and arduous struggle under the leadership of the honorable and glorious LPRP in the national salvation struggle against the foreign imperialist aggression and for the overthrow of the feudal system, for the accomplishment of the national-democratic revolution, and for advancement toward socialism without going through a period of capitalist development. It must be noted that a decade is a short time in the history of a nation, one just freed from enslavement imposed by foreign countries are subjected to repeated sabotage activities by counterrevolutionary forces. Nevertheless, under the LPRP leadership, all Lao people have united, surmounted various difficulties, advanced to make firm and all-round achievements and win victories, and continuously built and strengthened the country, thus enabling it to firmly stand as an outpost of the socialist camp in this region.

We must bring into full play the country's fine tradition; heighten the spirit of firm confidence in the party's leadership; strengthen the sense of responsibility toward work; strengthen our internal solidarity; unity among the people of all nationalities and international solidarity; enable everyone to understand the new situation and the requirements of the political task in the new period of the revolution and of the army; and be determined to extensively and vigorously carry out the army's political tasks in order to ensure firm, actual changes.

3. Form

This review of achievements and the commendation campaign should be regarded as an important move to evaluate the results of our emulation campaigns and the growth and development of various units and individuals. We must understand the positive aspects that should be promoted and the negative aspects that should be corrected. Detailed plans should be made to promote emulation campaigns to score achievements to welcome the forthcoming anniversary of the army's founding.

We must organize lectures and conversations within army units and among the people, youths, and students under the units; organize propaganda campaigns in many forms -- through newspapers, loudspeakers, motion pictures, art and literature, and sports activities; and cooperate with the local administration to decorate public places with pictures reflecting various achievements and traditions.

4. Some Issues Worth Attention

All units must fulfill the third phase of the political activities they are carrying out and, based on these political activities, review, examine, and enable everyone to understand the positive aspects that should be promoted and the negative aspects that must be corrected. Then we should mobilize army units to work enthusiastically and vigorously to fulfill all the tasks entrusted by the higher echelons and heighten our vigilance and combat readiness to promptly smash the enemy's multifaceted sabotage schemes.

Under all circumstances, we must firmly manage various units, ensure the availability of combat personnel and strict discipline, and prevent all untoward incidents in the units. Army units must not approve any leave taken by cadres and combatants except for truly essential cases and must follow radio broadcasts and newspapers to firmly grasp the content of the festival outlined by the higher echelons and correctly organize their implementation. Each unit is authorized to take off on 1 and 2 December. It is not allowed to organize any grand banquet since it will be wasteful. Food should be consumed in accordance with the ration authorized by the higher echelons.

5. Slogans

Long live the 2 December spirit! Long live the LPRP -- organizer and leader of all victories of the Lao revolution! Long live the LPDR! Everything for the defense of the country, socialism, and for the happiness of the people of all tribes! Strengthen unity among the people of all tribes, promote and develop the spirit of self-reliance and of building strength by ourselves, and strive to participate in socialist construction! Positively participate in the task of national defense and public security and maintain public order! Strengthen the military alliance, special solidarity, and all-round cooperation among Laos, Vietnam, and Cambodia! Strengthen and consolidate the solidarity and firmness of the socialist community with the Soviet Union as the support! Positively participate in just struggles waged by the Nonaligned Movement! Resolutely support the peace initiatives of the Soviet Union and other fraternal socialist countries, positively participate in various nations' struggles for peace and international security, and oppose the bellicose policy and nuclear arms race of the imperialists headed by the U.S. imperialists! Long live invincible Marxism-Leninism! Long live world peace!

[Date] 15 November 1985

[Signed] Major General Siphon Phalikhan, head of the Army General Political Department

NOUHAK PHOUMSAVAN ATTENDS FINANCIAL CONFERENCE

BK251318 Vientiane Domestic Service in Lao 0000 GMT 21 Nov 85

[Text] A conference on financial work of the four southern provinces was officially opened in Champassak Province on 19 November. Nouthak Phoumsavan, member of the LPP Central Committee Political Bureau and first vice chairman of the Council of Ministers, attended and addressed the opening ceremony. Also attending the conference were Sounthon Thep-asa, member of the party Central Committee and secretary of the party committee of Champassak Province; Gnao Phonvantna, member of the party Central Committee and minister of finance; and over 180 members of the party and administrative committees and cadres in charge of finance work of Champassak, Saravane, Attoepu, and Sekong Provinces.

In his address, Nouthak Phoumsavan pointed out the difference in finance work between the socialist and capitalist systems and the attitudes toward production, saving, and thrift as well as the urgent immediate tasks of finance work which must be translated into reality. The conference will continue for 5 days.

'CONVERSATION' WARNS OF THREAT FROM THAILAND

BK251348 Vientiane Domestic Service in Lao 0430 GMT 21 Nov 85

["Conversation" between "Comrade Ka and Comrade Han"--date not given; recorded]

[Excerpts] [Han] Well, Comrade. What assignments have the Political Bureau and the Supreme Command given to our Armed Forces?

[Ka] Our Armed Forces have been assigned heavy duties. They have to work day and night without any rest. They have engaged in labor, national defense, and parade training work. I think that the national defense and public security maintenance work is very important and the number one job.

[Han] I think so, comrade. The defense work is the number one assignment the Armed Forces must carry out. This is because the enemies have not yet abandoned the policy of consistently subverting and destroying our nation.

[Ka] That is true, comrade. The mouthpiece of Bangkok has waged propaganda campaigns to instigate the people to slander the policy and line of our party and state, to create rifts among our Lao party and state leaders, and to undermine and slander the Lao Government's foreign policy of peace, independence, and peaceful coexistence.

[Han] What you said is correct, comrade. Our enemies, especially the Thai ultrarightist reactionaries, have employed numerous tricks like the ones you have just told me about to slander our country. For instance, the Voice of Free Asia radio located in Nong Khai, just across the river from our side, pretended to express its concern to the Lao people, saying that our party and state leaders have sold out our country and people to Vietnam and that Laos is now faced with famine and becoming poorer because Laos is now controlled by the Vietnamese.

[Ka] They must be blind, comrade.

[Han] The Thai Government is unable to solve its own problems.

[Ka] At present, the Thai ultrarightist reactionaries led by Athit Kamlang-ek--the most prominent ringleader--are implementing a pan-Thaist policy. They are carrying out instructions from Beijing and the United States to openly slander Laos, Cambodia, and Vietnam.

[Han] That is correct, comrade. They have paid close attention to working to divide Laos and Vietnam. This is because if they succeed in doing so, they would be able to swallow Laos easily.

[Ka] It seems that they want to get richer and richer, don't they, comrade? Let me warn you: You Thai ultrarightist reactionaries must stop thinking that way. The past history has already passed. Laos is now different; Laos is in a new era and is making progress. Over the past 10 years, Laos has changed its face. The Lao people's well-being has been ensured. The past 10 years are full of activities related to national construction and national defense. The LPRP headed by Comrade General Secretary Kaysone Phomvihane is holding aloft national prestige and integrity in the international arena. It is leading the entire Lao people to happiness and prosperity. We have a very bright future ahead of us. The special solidarity among Laos, Vietnam, and Cambodia and our all-round cooperation with the Soviet Union are factors ensuring the stability and development of each of our countries and no enemies can destroy them. This is the truth, comrade.

[Han] You are absolutely right, comrade. They have tried to divide Laos and Vietnam for many years. Having failed in the political field, they have turned to the economic issue to undermine our country. At the same time, they have also employed numerous psychological warfare tactics to undermine the strength of our cadres and combatants.

[Ka] Their slanderous campaigns in the political and psychological warfare fields against our country seem to be very cunning and effective. Nevertheless, these are worn out campaigns. They are waging these campaigns at the direct instruction of Beijing and the United States.

[Han] Does this mean that they are carrying out the orders of their masters? Especially on the occasion of the celebration of the forthcoming 2 December National Day, the enemies will employ some tactics to destroy us.

[Ka] Of course, comrade. That is true. Even though we have maintained a tradition of fighting and the true revolutionary nature, and have clearly followed the principles of identifying friends and foes, we have never relaxed our guard. All cadres, combatants, and people throughout the country must maintain a sense of vigilance and stand ready to smash all subversive acts of the enemies.

[Han] We will smash them no matter where they come from. Our officers and rank-and-file soldiers throughout the country, especially along the borders, must maintain vigilance. Should untoward incidents take place, they must coordinate with regional forces, guerrilla militiamen, and local people to suppress them promptly. This means that peace must be maintained in all localities so as to allow the celebration of the 2 December National Day as festive and gay as possible.

[Ka] I totally agree with you, comrade.

[Han] Well, I think it should be this way, comrade.

[Ka] I think that is all we will discuss today. I think I have to go now, comrade. So long.

PROGRESS IN INDUSTRIAL DEVELOPMENT NOTED

BK261535 Vientiane Domestic Service in Lao 0500 GMT 26 Nov 85

[Feature article: "Ten Years of Development of Industrial Work in LPDR"]

[Summary] According to figures of the state statistical center, prior to the revolution there were a number of small enterprises built with the purpose of enriching the capitalists. These industrial enterprises had been destroyed before the reactionary capitalists fled the country. Skilled workers were also encouraged by them to flee the country. "During the period of economic restoration between 1975 and 1977, there were only about 100 factories that could operate and there were only some 5,000 workers."

At present, the various factories and plants left over from the old regime have been nationalized and production has been improved and broadened. "While restoring the old factories, our party and government have paid attention to building new factories, raising the total number of factories to 295 in 1985 and the number of workers to about 19,000." "Special attention has been paid to important industrial sectors, such as the electricity, construction material, wood exploitation and processing, machinery, and light industry sectors."

"Following the liberation many important factories have been constructed, such as the machine repair shops at Dongchong and Tha Ngon, animal feed factories, the Volvo machine repair shop, the iron smelting factory at km marker No. 9, the gypsum factory in Savannakhet, the brick factory in Thakhek, the electricity pole factory at km marker No. 19, the farm tool factory at km marker No. 8, the brick factory at km marker No. 15, forestry state enterprises Nos. 1, 2, 5, 6, 7, 8, and 9, the pharmaceutical factory 104, and the educational equipment factory at km marker No. 7."

LAST DECADE'S AGRICULTURAL ADVANCES CITED

BK251624 Vientiane Domestic Service in Lao 1100 GMT 21 Nov 85

[Feature: "Achievements in the Agricultural Field in the Past 10 Years"]

[Summary] "With regard to our food production, in 1985 the total food production is expected to reach 1.54 million metric tons. From 1978 to 1980, food production increased by 14.3 percent; from 1981 to 1985, it increased by 5.25 percent. On the average, in 1976 each person was able to produce 245 kilograms of food per year. But in 1984, the average food production increased to 392.5 kilograms per person. In 1985, it is expected that each person will be able to produce 426 kilograms of good products.

"With regard to paddy, in 1976 the total paddy production was 660,938 metric tons. In 1984, we managed to produce 1,321,196 metric tons. It is anticipated this paddy production this year will be 1,428,046 metric tons."

On the average, in 1976 we were able to produce 1.25 metric tons per hectare. But in 1984, we managed to harvest more than 2 metric tons of paddy per hectare. In 1985, it is expected that we will be able to produce 2,170 kilograms of paddy per one hectare. The paddy production capacities per one hectare for each province are as follows: Vientiane municipality--2.3 metric tons, Champassak Province--2.7 metric tons, Savannakhet Province--2.3 metric tons, Xieng Khouang Province--2.3 metric tons, and Saravane Province--2.3 metric tons.

As for the production of starchy crops, in 1985 it is expected that an estimated 69,000 metric tons of starch will be produced -- an increase of 22,842 metric tons compared with 1976. These starchy crops include corn, taro, potato and other roots.

In 1976, the total area for growing vegetables was 3,655 hectares, producing 28,375 metric tons of vegetables. In 1985, the area has increased to 5,560 hectares, producing an estimated 45,170 metric tons.

In 1976, the total area for growing fruit trees was 3,880 hectares with a total harvest of 15,348 metric tons. In 1985, the area for growing fruit trees increased to 9,490 hectares with an estimated total production of 69,020 metric tons. In 1985, the total area for growing coffee is 18,040 hectares, producing an estimated 5,995 metric tons of coffee bean.

As for other cash crops, in 1985 estimated production output will be as follows: 9,600 metric tons of peanut, 5,340 metric tons of soya bean, and 2,440 metric tons of green bean.

With regard to livestock raising, in 1985 our people have raised 974,400 buffalos, 576,000 cows, 1,433,000 pigs, and 7,834,000 fowls.

FOREIGN MINISTRY STATEMENT ON SRV SEA CLAIMS

BK270601 Bangkok Voice of Free Asia in English 1500 GMT 26 Nov 85

[Text] The following is the statement by the Ministry of Foreign Affairs of Thailand on the Vietnamese claims concerning the so-called historical waters and the drawing of baselines:

The Ministry of Foreign Affairs of Thailand refers to the following transactions and statements:

1. The so-called agreement of 7 July 1982 between the Government of the Socialist Republic of Vietnam and the Government of the People's Republic of Kampuchea on the historical waters of Vietnam and Kampuchea, which was announced on 8 July 1982 through the VIETNAMESE NEWS AGENCY in Hanoi;
2. The statement of 12 November 1982 by the Government of the Socialist Republic of Vietnam on the territorial sea baseline of Vietnam, which had been circulated as an official document of the General Assembly A-37-697 dated 6 December 1982; and
3. The statement of 6 June 1984 by the Government of the Socialist Republic of Vietnam on the airspace of Vietnam, which had been circulated as an official document of the General Assembly number A-39-309, dated 21 June 1984.

The Government of Thailand has carefully examined the claims (?asserted) in the above-mentioned agreements and statements and wishes to state its positions with respect thereto as follows:

Regarding the claims to the so-called historical waters, which purports to appropriate and subject certain sea areas in the Gulf of Thailand and in the Gulf of Tonkin or Gulf of Bac Bo in the (?regime) of internal waters, the government is of the view that such claims cannot be justified on the basis of the applicable principles and rules of international law.

Regarding the statement defining the baseline for measuring the breadth of the territorial sea and other maritime zones of Vietnam, the Government of Thailand considers that the drawing of the baseline of Vietnam's territorial sea between points O and A7 is invariant with the well-established rules of international law as codified in Article 4 at the convention on the territorial sea and contiguous zones of 29 April 1958 and confirmed once again in Article 7 of the UN convention on the law of the sea done at Montego Bay on 10 December 1982, to which Vietnam is a signatory.

Insofar as the Vietnamese statement on Vietnamese airspace seeks to assure Vietnamese sovereignty over the so-called historical waters both in the Gulf of Thailand and in the Gulf of Tonkin as well as over the waters enclosed within the said baseline, the Government of Thailand, consistent with its position as stated above, feels bound to reject such claims as being contrary to international law. Accordingly, the Government of Thailand reserves all its rights under international law in relation to the sea areas in question and the airspace above them. Incidentally, in regard to the so-called agreement on these historical waters of Vietnam and Kampuchea, the Government of Thailand wishes to state that the so-called Government of the People's Republic of Kampuchea does not represent and cannot be considered to represent Kampuchea in any matter whatsoever, as only the Coalition Government of Democratic Kampuchea under the presidency of Samdech Norodom Sihanouk, which is the sole legitimate government of Kampuchea overwhelmingly recognized in the United Nations, can represent Kampuchea.

Therefore, any agreement or declaration which purported to be concluded or made by the so-called Government of the People's Republic of Kampuchea is utterly devoid of any legal effect.

[Dated] 22 November 1985

ATHIT SAYS LAO AIR INTRUSION MAY BE ACCIDENT

BK270115 Bangkok THE NATION in English 27 Nov 85 p 2

[Text] Supreme Commander Gen Athit Kamlang-ek said yesterday a Laotian jetfighter's intrusion into Thai airspace in the Northeast last week may be unintentional. Gen Athit said the Laotian pilot of the Soviet-made MiG 21 might unintentionally flew across the border into Nong Khai Province since Lao air force base may be located near the border.

Voicing similar views, Deputy Defence Minister ACM [Air Chief Marshal] Phaniang Kantarat confirmed that the Laotian fighter flew across the border as deep as five kilometres, but he believed that the plane was not on a "spy mission." "A reconnaissance airplane would not have flown that way. Thai armed forces, however, can effectively counter any spy planes," ACM Phaniang said.

Asked if the Lao government would take back an airplane that two Laotian defectors flew into Thailand in July, Phaniang said because of the high maintenance cost, Vientiane may let the plane be kept in Thailand.

Touching on criticism over the country's huge budget for defence, he said the defence spendings have been scrutinized by Parliament. "We are not concerned over the matter. We are willing to accept what the government has allocated for us," he added.

UN OFFICIAL SAYS 25,000-30,000 TO BE RESETTLED

BK270129 Bangkok BANGKOK POST in English 27 Nov 85 p 1

[Text] Between 25,000 and 30,000 Indochinese refugees in Thailand are to be resettled in third countries next year, UNHCR [United Nations High Commissioner for Refugees] representative Eric Morris said yesterday. Mr Morris said the large intake quotas of third countries would reduce the number of refugees in Thailand. However, he said a large number of "unqualified" refugees would remain in first-asylum countries for some years.

Mr Morris said about 28,000 refugees left Thailand for third countries this year. He expected the same number would leave next year. The solution to the problem, said Mr Morris, would be voluntary repatriation programmes such as the agreement being undertaken with Laotian refugees. Mr Morris said the number of Laotians returning was a trickle at present, but the attitude of the authorities in Vientiane was encouraging. Some 3,000 Laotians returned under the repatriation programme.

The representative said the organisation had set a budget of \$319 million for global refugee programmes but there was a \$40 million deficit because donor countries have diverted contributions to Sudan and Ethiopia. Thailand would be minimally affected, he said. Projects to build housing at Kaho I-Dang holding centre and to help 100 crippled refugees in Chiang Khan would be postponed.

A source said the UNHCR had sought about \$22.2 million for 1985 programmes in Thailand but only \$19 million had been secured.

RAJIV GANDHI BEGINS OFFICIAL VISIT

BK270704 Hanoi Domestic Service in Vietnamese 0500 GMT 27 Nov 85

[Text] At the invitation of Le Duan, general secretary of the CPV, and Pham Van Dong, chairman of the SRV Council of Ministers, this morning Rajiv Gandhi, prime minister of the Republic of India, arrived in Hanoi.

An official ceremony was held at the Chi Linh Square to welcome him. Large numbers of Hanoians on behalf of the people throughout the country warmly welcomed Prime Minister and Mrs. Rajiv Gandhi and other distinguished Indian guests.

Meeting prime minister and Mrs. Rajiv Gandhi and accompanying officials were Comrades Le Duan, CPV Central Committee general secretary; Pham Van Dong, chairman of the Council of Ministers; Nguyen Huu Tho, chairman of the National Assembly and vice chairman of the Council of Ministers; Tran Quynh, vice chairman of the Council of Ministers; Van Tien Dung, defense minister; Nguyen Co Thach, foreign minister; Tran Vy, chairman of the Hanoi City People's Committee; Dang Hoi Xuan, chairman of the Vietnam-India Friendship Association, and many other ministers and vice ministers, and the representatives of political parties and mass organizations of the central government and in Hanoi.

After the band played the national anthems of Vietnam and India, Comrades Le Duan and Pham Van Dong accompanied Prime Minister Rajiv Gandhi in reviewing the VPA honor guards and meeting the other leaders of our party and state and the representatives of the people of all strata in the capital of Hanoi.

Following the official welcoming ceremony at the Chi Linh Square, Comrades Le Duan, Pham Van Dong, and other leaders of our party and state respectfully guided Prime Minister and Mrs. Rajiv Gandhi and other accompanying officials to the government guest house. The first reception took place here between Comrades Le Duan, Pham Van Dong, and other leaders of our party and state and Prime Minister Rajiv Gandhi in a cordial atmosphere imbued with friendship between the Vietnamese and Indian peoples.

No sooner had he come to Hanoi than Prime Minister Rajiv Gandhi attended the ceremony to name a large square in Hanoi after Indira Gandhi -- the Chi Linh Square on Dinh Tien Hoang Street, adjacent to the Hoan Kiem Lake.

Attending the ceremony, on the Vietnamese side were Pham Van Dong, chairman of the Council of Ministers; Tran Quynh, vice chairman of the Council of Ministers; Nguyen Co Thach, foreign minister; Le Van Luong, secretary of the municipal party committee; Tran Vy, chairman of the Hanoi City People's Committee; Dang Hoi Xuan, public health minister and chairman of the Vietnam-India Friendship Association; and many other high-ranking cadres of our party and state and Hanoi municipality.

Large numbers of people in the capital and teenagers of Hanoi warmly welcomed Prime Minister Rajiv Gandhi and his delegation. Speaking at the ceremony, Tran Vy, member of the party Central Committee and chairman of the Hanoi City People's Committee, said: The decision to name a large square in Hanoi after Indira Gandhi is to show respect and love for Mrs. Indira Gandhi, an outstanding leader of the Indian people. Through this decision, the Vietnamese people will always remember Mrs Indira Gandhi's great contributions to the national construction and defense of India and to the consolidation of Vietnam-India friendship. Together with all the Vietnamese people, the Hanoi people pledge to wholeheartedly build the friendly relations between the Vietnamese and Indian peoples. Comrade Tran Vy wished Vietnamese-Indian friendship be ever fresher and everlasting.

In his reply, Prime Minister Rajiv Gandhi expressed the honor of being able to attend the ceremony to name the square in Hanoi after Indira Gandhi. He said that throughout her lifetime, Indira Gandhi was struggling for peace and freedom of the Indian and world peoples. The Indian people will always side with the Vietnamese people in the struggle for independence and freedom. India now wants to cooperate with the Vietnamese friends in national construction. India will always support the Vietnamese people in building a free Vietnam and will contribute to the world people's struggle movement for freedom of all nations.

Chairman of the Council of Ministers Pham Van Dong and Prime Minister Rajiv Gandhi solemnly unveiled the plaque showing the name Indira Gandhi Public Square and stopped there to talk with each other for a long time.

Gandhi on Cambodia, Geneva

BK270934 Delhi Domestic Service in English 0830 GMT 27 Nov 85

[Excerpt] The prime minister, Mr Rajiv Gandhi, has said that India and Vietnam must work jointly for freedom, peace and security in the world. Mr Gandhi was replying to a luncheon reception in his honor by the Vietnamese prime minister, Mr Pham Van Dong. The prime minister admired the valiant struggle of the Vietnamese people and said India has always stood by them. India respects the dedication with which Vietnamese people are building their country. He noted with satisfaction that Indo-Vietnamese economic cooperation has strengthened. He said the Indo-Vietnamese Joint Commission now in session in Hanoi will import dynamism to our relations.

Referring to the Kampuchea question, Mr Gandhi expressed India's solidarity with the people of that country in their resolve to rebuild their nation.

Our special correspondent Radhanath Chatturvedi reports that the prime minister expressed his concern over the unabated arms race and called for intensifying the movement for complete disarmament. He welcomed the declaration of Soviet leader Mr Gorbachev, and the American president, Mr Reagan, that nuclear war cannot be won and must never be fought.

Earlier, the secretary general of the Communist Party of Vietnam, Mr Le Duan, expressed concern over the arms race and threat to peace and security. He reiterated his country's solidarity with the people of Asia, Africa, and Latin America.

SRV-INDIA COOPERATION COMMISSION SESSION ENDS

OW261740 Hanoi VNA in English 1515 GMT 26 Nov 85

[Text] Hanoi VNA Nov. 26 -- Minutes of the second session of the Vietnam-India Joint Commission for Economic, Scientific and Technical Cooperation were signed at the government guest house here this afternoon. Signatories were Tran Quynh, vice chairman of the Council of Ministers, and co-president of the joint commission, and Bali Ram Bhagat, Indian minister for foreign affairs and co-president of the joint commission.

On Nov. 25 afternoon, Vo Van Kiet, vice chairman of the Council of Ministers, chairman of the State Planning Commission, received Minister Bali Ram Bhagat. Dang Hoi Xuan, president of the Vietnam-India Friendship Association, and other members of the association called on the Indian minister. Minister Bali Ram Bhagat also visited the construction site of the Hoa Binh hydro-electric power plant on the Da River, and the army and fine arts museums. The second session of the joint commission successfully concluded in Hanoi today.

Press Statement Issued

OW261747 Hanoi VNA in English 1519 GMT 26 Nov 85

[Text] Hanoi VNA Nov 26 -- A press statement was released here today by the India-Vietnam Joint Commission for Economic, Scientific and Technical Cooperation on its second session held recently in Hanoi.

The press statement reads:

"After three days of discussions at the second session of their Joint Commission which completed its work in Hanoi on November 26, 1985, the Socialist Republic of Vietnam and India have agreed to step up their economic, commercial, scientific and technical exchanges. The Indian delegation to the joint commission was led by Mr. Bali Ram Bhagat, minister for external affairs. The Vietnamese side was led by Mr. Tran Quynh, vice-chairman of the Council of Ministers. Mr. Nguyen Co Thach, minister of foreign affairs, also takes part in the session.

The Indian side proposed to focus technical and economic assistance on some export sectors of the Vietnamese economy. The two sides proposed to consider possibility of cooperation for oil exploration in Vietnam. Representatives of the Oil and Natural Gas Commission of India (ONGC) and Petro Vietnam discussed further measures for promoting technical cooperation between them.

Indian and Vietnamese delegations reviewed the progress of pilot projects for rice research and Buffalo breeding set up with Indian cooperation and agreed to continue these schemes and also enhance the scope of their mutual exchanges and scientific, technical cooperation in industrial and agricultural fields. The Indian side also announced assistance in the context of difficulties caused by natural calamities in Vietnam".

MINISTER RECOUNTS INDIAN AGRICULTURAL AID

BK261433 Hanoi International Service in English 1000 GMT 26 Nov 85

[Text] On the coming visit to Vietnam by Indian Prime Minister Rajiv Gandhi, Minister of Agriculture Nguyen Ngoc Triu has granted an interview to our radio correspondent on agricultural cooperation between Indian and Vietnam. Following is the translation of the interview.

Asked about the cooperation between Vietnam and India on agriculture, Minister Nguyen Ngoc Triu said:

[Begin recording in Vietnamese fading into English translation] In 1976, the Indian Government, together with Vietnam worked out a plan for agricultural cooperation. India helped Vietnam build the Rice Institute of the Mekong River Delta in O Mon District, Hau Giang Province, and the Dairy Buffalo and Pasture Research Center in Ben Cat, Song Be Province. In 1978, the Indian Government sent 502 buffaloes of the Murrah stock as gifts to the Vietnamese people. Murrah has quickly adapted to the Vietnamese conditions and are growing well with a high birth rate and milk yield. The Ben Cat Dairy Buffalo and Pasture Research Center has expanded its Murrah herd to more than 1,000. The [word indistinct] cycle is about 15 months and each dairy buffalo gives from 7-20 kilos of milk daily. At present, 15 provinces and cities in Vietnam are rearing Murrah.

On the field of training, the Indian Government trained six Vietnamese veterinarians with post-university qualifications in 1980. Next year, the Indian Government will train for Vietnam another six veterinarians. The Indian Government has sent to Vietnam three experts in cattle raising and veterinary to help Vietnamese in these fields, and made good contributions to Vietnam.

India has also sent a number of spare parts and experts to the O Mon Rice Institute in Hau Giang Province and helped train three postgraduates. Under bilateral agreement, India will soon send a long-term experts delegation, more spare parts, and continue to train another five cadres for the institute in 1986. The wholehearted and effective assistance of the Indian experts is highly appreciated in Vietnam. [end recording]

Asked about the prospect of this cooperation, Mr Nguyen Ngoc Triu said:

[Begin recording in Vietnamese fading into English translation] On the basis of the fine relationship and cooperation between Vietnam and India, the cooperation in agriculture between the two nations will certainly be further developed. In few years to come, the construction of the O Mon Rice Institute and the Ben Cat Dairy Buffalo and Pasture Research Center will be perfected to better serve research projects of the two countries. Vietnam and India will also promote the cooperation in other fields such as the production of fabric, cashew, (Ajapinatta) husbandry, and the prevention of tropical diseases. On this occasion, I would like to convey, through radio, sincere thanks to the Indian Government and people, particularly members of the Ministry of Agriculture, for their help and cooperation with Vietnam's agricultural service. I wish the Indo-Vietnamese friendship and cooperation be further strengthened and developed. [end recording]

LE DUAN, SOVIET ENVOY DISCUSS GENEVA SUMMIT

BK261538 Hanoi Domestic Service in Vietnamese 1430 GMT 26 Nov 85

[Text] On 26 November, Comrade Le Duan, general secretary of the CPV Central Committee, received Chaplin, Soviet ambassador to Vietnam. Ambassador Chaplin informed Comrade General Secretary Le Duan of the results of the recent Soviet-U.S. summit meeting in Geneva.

On this occasion, Comrade Le Duan stated that the Soviet-U.S. summit meeting held recently in Geneva between Comrade Gorbachev, general secretary of the CPSU Central Committee, and U.S. President Reagan was an important international event. Comrade Le Duan said: The principled policy and fair and reasonable proposals put forth by the Soviet Union in the past, as well as at the recent meeting, were in line with the interests of all nations in the world which are struggling for peace, national independence, and social progress and manifested the high sense of responsibility of the Soviet Union toward the destiny of mankind.

The Communist Party and people of Vietnam warmly welcome the Soviet Union's peace initiatives and hope that the results of the recent Soviet-U.S. summit meeting will usher in a new period of dialogue aimed at reducing tension at present and vigorously accelerating the struggle for the consolidation of durable peace, national independence, democracy, and social progress throughout the world.

However, the important thing is that the U.S. side must give up its policy of gaining military superiority over the Soviet Union and, together with this country, transform the recent agreements into reality.

AUSTRALIAHAYDEN ON PLANNED PACIFIC TOUR, U.S. TUNA BOATS

BK260945 Melbourne Overseas Service in English 0830 GMT 26 Nov 85

[Text] The Australian foreign minister, Mr Bill Hayden, plans to make an extensive tour of South Pacific independent nations next year. In a major statement on foreign policy, Mr Hayden said in Parliament that Australia had significant strategic political and economic interests in the Pacific. Mr Hayden said Australia had two paramount objectives in its conduct of foreign policy. One was to protect and promote the national interests in a highly volatile world, and the second was to pursue a determined and independent role as a middle-ranking nation in the search for a better world order.

He Hayden said his government was aware of mounting feeling among the Pacific island states over the activities of American tuna boats. He said Canberra had actively encouraged Washington to negotiate more equitable fisheries access arrangements with the island states. Mr Hayden claimed that as a result the American Administration had now entered into serious negotiations over the issue.

Filipino, Cambodian Problems

BK270715 Melbourne Overseas Service in English 0500 GMT 27 Nov 85

[Text] In a major foreign policy speech, Australia's foreign affairs minister Mr Hayden, has expressed concern about a deteriorating situation in the Philippines. At the same time, Mr Hayden has accused France of blatantly disregarding the views of South Pacific countries by continuing its nuclear testing program. Mr Hayden told Parliament that the Philippine Government of President Marcos faced severe economic dislocation and widespread and understandable dissatisfaction with its political and economic record. He said human rights abuses, extensive economic injustice, and failure to curb the privileges and political power of the rich had provided fertile ground for insurgency, which was now a serious challenge.

Mr Hayden also repeated Australia's concern over the Kampuchean problem. He said Australia had condemned the Vietnamese military presence in Kampuchea, but said a solution must take into account the legitimate interests of Vietnam.

VIETNAM REFUSED ENTRY VISAS TO IMMIGRATION TEAM

BK270717 Melbourne Overseas Service in English 0430 GMT 27 Nov 85

[Text] An Australian immigration team has been refused visas to Vietnam allegedly because of the activities of some Vietnamese migrants in Australia. The team had hoped to visit Ho Chi Minh City to interview prospectus migrants. The process is part of the so-called Orderly Departure program set up several years ago to reduce the number of people trying to leave Vietnam in hazardous circumstances by sea and land.

Asked to comment, the minister for immigration, Mr Hurford, said there had been a delay in Australia's interviewing program in Ho Chi Minh City. He said an Australian team had been due there last week but that Vietnamese authorities had postponed the visit. He said the problem appeared to relate to the activities of a small minority of Vietnamese in Australia but did not elaborate.

NEW ZEALANDLANGE TO PRESS FOR 'REVISED' NUCLEAR BAN LAW

HK251416 Hong Kong AFP in English 1410 GMT 25 Nov 85

[Text] Wellington, Nov 25 (AFP) -- Prime Minister David Lange today confirmed he would push ahead with proposed legislation banning nuclear weapons from New Zealand despite U.S. warnings that this would end the ANZUS Alliance. Mr Lange said the legislation would be studied by government caucus members Thursday, briefings would be given to allies next week and the law banning nuclear weapons from the country introduced to parliament early next month. The New Zealand premier reiterated that he was "more than disappointed" by a U.S. refusal to discuss the anti-nuclear law draft with a senior New Zealand diplomat in Washington. The United States has said it will not discuss the law unless it is substantially revised and has warned that its passing would end the ANZUS alliance linking Washington with Wellington and Canberra.

The grouping was seriously shaken early this year when New Zealand banned a port call by a U.S. warship after Washington refused under its longstanding policy to declare whether or not the vessel was nuclear-armed. Mr Lange said the law was "not meant, designed, calculated to be provocative and it is certainly drawn up so that the United States could in no way be seen to be breaching its policy" of not confirming nuclear weapons. He said there had been significant changes to the proposed law since it was first shown to U.S. officials by Deputy Prime Minister Geoffrey Palmer two months ago.

Changes had been made from the blanket ban on nuclear capable vessels and from the committee system of approving ship visits laid out in the previous draft law, he said. The new draft "bans nuclear-armed and nuclear-propelled ships definitely," said the prime minister. Mr Lange indicated the United States Embassy in Wellington would be given a draft of the legislation early next week, after it had been considered by government members of parliament. He said a senior Foreign Ministry official was also still available to go to Washington to brief U.S. officials on the planned law.

LANGE SAYS FRENCH AGENTS TO NOT BE DEPORTED

HK250426 Hong Kong AFP in English 0414 GMT 25 Nov 85

[Text] Wellington, Nov 25 (AFP) -- Two French secret service agents convicted of manslaughter in the Rainbow Warrior bombing affair will "serve their time here," New Zealand Prime Minister David Lange said today. Mr Lange told a news conference that Major Alain Marfart and Captain Dominique Prieur, jailed for 10 years on Friday for their part in the July 10 sinking of the Greenpeace flagship in which a crewmember died, would not benefit from early deportation back to France. "We are not in New Zealand about to sell two prisoners, that's quite simple," he said. "It would be wrong as a nation if we did. It would be very wrong for any respect which we have in the world community to be seen to be doing it." Mr Lange said the two French agents would not leave New Zealand until normal parole provisions applied to their sentences. Under New Zealand law the pair must serve a minimum five years before they are considered for parole. Mr Lange believed his government could even lose the next general election in New Zealand if it granted early deportation to the French couple. He also told journalists he could not discount the possibility that France would impose economic sanctions on New Zealand in retaliation for sentencing of the two French secret service agents. But Mr Lange believed the European Economic Community (EEC), of which France is a member, would consider any such retaliation "outrageous and remarkable."

"We have not been provocative in any way with France and if they use or try to use the leverage of European access (for New Zealand farm products) to try to subvert our constitutional and judicial system, I think that would be bad."

LANGE COMMENTS ON LATEST FRENCH NUCLEAR TEST

HK250416 Hong Kong AFP in English 0354 GMT 25 Nov 85

[Text] Wellington, Nov 25 (AFP) -- France today carried out another nuclear weapons test at its underground site on Mururoa Atoll in the South Pacific, New Zealand Prime Minister David Lange said. Mr Lange said the test -- France's seventh of the year -- had a yield of seven kilotonnes (7,000 tonnes of TNT) and was recorded at 5:01 a.m. New Zealand time today (1601 GMT Sunday) by New Zealand's seismological station in the Cook Islands. Mr Lange said while today's test was "not flaunted like the one which took place on October 25, it came as no surprise". The testing programme for France had become not just a strategic and military imperative but also a political imperative, he said in a statement. "It seems to be intended to justify in France what we in the region where the tests occur absolutely and unequivocally condemn," he said.

Mr Lange said France was one of three countries which voted against the New Zealand-Australian resolution in the United Nations Disarmament Committee which called for a comprehensive test ban treaty. "We reject nuclear testing wherever it occurs," he said. "We will persevere in our efforts bilaterally, regionally and internationally for as long as it takes till a universal test ban is accomplished," he added. Mr Lange's reference to the October 25 underground blast was to the presence at the test site of French Prime Minister Laurent Fabius and Defence Minister Paul Quilès who gave the programme their official sanction, while seeking to prove the underground tests posed no hazards for people in the South Pacific. That test occurred while two Greenpeace international environment vessels were off the atoll protesting against the French nuclear programme. A second test was carried out two days later. The largest nuclear explosion detonated underground at Mururoa Atoll occurred in early May when a 150-kilometre device was detonated inside the Atoll's volcanic core.

AUCKLAND COMMANDER NAMED CHIEF OF STAFF

HK260806 Auckland THE NEW ZEALAND HERALD in English 20 Nov 85 p 20

[Text] The senior Naval officer in the Auckland command, Commodore L.J. Tempero, was named yesterday as the next chief of Naval staff. He succeeds Rear Admiral C.J. Steward on February 1. Commodore Tempero, who will be promoted to the rank of rear admiral when he takes up the appointment, has been Commodore Auckland since April 1983. He has commanded the Royal New Zealand Naval frigates Taranaki and Canterbury, and he served on the New Zealand Embassy defence liaison staff in Washington from 1979 to 1982. Born in Greymouth, he trained at the Britannian Royal Naval College, Dartmouth, and later on ships of the Royal Navy. He commanded the New Zealand minesweeper HMNZS Santon in the Indonesian-Malaysian confrontation, and later did two years' exchange service with the Royal Australian Navy.

MULDOON DISCUSSES SIS BUDGET IN COURT CASE

HK260902 Auckland THE NEW ZEALAND HERALD in English 20 Nov 85 p 4

[Text] The Security Intelligence Service [SIS] opened a new branch during the term of the previous minister in charge of the service, Sir Robert Muldoon.

He indicated to the High Court in Wellington yesterday that the service had opened the new branch for foreign-related reasons, rather than for the service's domestic activities. Sir Robert was giving evidence on the second day of a case in which he is suing the former leader of the New Zealand Party, Mr. Bob Jones, for defamation. Sir Robert was answering questions from Mr Jones' counsel, Mr Mike Camp, about a more than five-fold increase in the SIS budget between 1976 and 1984.

Sir Robert is seeking a total of \$600,000 in damages from Mr Jones for comments allegedly made during two newspaper interviews in March last year. Mr Jones had claimed a gross misuse of the SIS would be revealed when the New Zealand Party became the Government, and that this would cost Sir Robert his knighthood.

Sir Robert spent all of the court sitting yesterday being questioned first by his counsel, Mr Des Dalgety, and later being cross-examined by Mr Camp. The case, being heard before Mr Justice Jeffries and a jury, is expected to continue for most of this week. Among those to be called to give evidence will be the Director of the SIS, Mr Lindsay Smith.

Mr Camp asked Sir Robert yesterday whether the increase in the service's budget, from \$802,000 in 1976 to \$4.6 million in 1984, meant the SIS had become substantially more active during this period. Sir Robert said it had become more active, but not "substantially" so. The service had bought more expensive and sophisticated equipment during the period, which did the same work as the equipment it replaced but which was more efficient. The service had also moved into new headquarters, and had sent more people abroad more frequently than it had previously.

Sir Robert said it would be more correct to measure the increase in the budget in inflation-corrected terms, not by using the "raw" figures. He believed there had been little increase in the service's domestic operations during the period. But he said the service had opened "another branch during that period, for certain reasons which are entirely foreign in their relationship."

Sir Robert told the court he had doubled his original claim for \$300,000 after he had read documents related to the case. These indicated that Mr Jones at no time believed the allegations he was making, and that he had made them for their "political impact." Sir Robert said that in all his years in Parliament he could recall no instance of the SIS' being used for party political purposes. "But there is no doubt that in issues of public concern there have been times when the disclosure of material property obtained by the SIS has had a political impact," he said.

MPs on both sides of the House were particularly sensitive about the SIS' not being involved in party political matters. Sir Robert said it was quite unthinkable that the SIS would involve itself in the activity of a normal political party. People who did not know the safeguards which existed in the SIS Act and who had almost a fear of the service, would have believed Mr Jones' comments. Sir Robert said he believed Mr Jones' statements had been designed to be politically damaging to him (Sir Robert).

PARLIAMENT APPROVES BILL FOR SNAP ELECTION

HK270311 Manila Far East Broadcasting Company in English 2300 GMT 26 Nov 85

[Text] The Batasang Pambansa approved on second reading last night [26 November] Cabinet Bill No. 7. The bill calls for the special presidential and vice presidential elections on February 7, 1986. The bill was approved despite strong objections by opposition members of parliament. The opposition claims the bill suffered from constitutional infirmities. The opposition said that it would raise the question of the bill's constitutionality in the Supreme Court as soon as it is enacted into law. The bill provides that the president and vice president shall be elected by direct vote of the people for a period of 6 years. It also calls for a 57-day election campaign period which will start on December 11 and will end on February 5 next year. The deadline for the filing of certificates of candidacy will be on December 11. The bill also appropriates 200 million pesos from the special activities fund for the holding of the special polls.

VIRATA, CENTRAL BANK HEAD FAVOR JOINT ELECTIONS

HK250549 Hong Kong AFP in English 0513 GMT 25 Nov 85

[Text] Manila, Nov 25 (AFP) -- Top monetary officials here today backed calls for joint presidential and local government elections next year but said the country could still afford separate polls. Premier Cesar Virata and Central Bank Governor Jose Fernandez told a press forum they preferred synchronizing the presidential poll set for February and the municipal and provincial elections set for May for economic reasons.

"My thoughts are that if we hold these two together, or almost together, maybe we will have a longer period where there will be less political activity," said Mr. Virata, who is also finance minister. "Maybe we can concentrate more on what has to be reformed, what has to be improved after 1986 because the next elections will be in 1990," he added.

President Ferdinand Marcos and other officials insist on separate elections, citing "fundamental issues" involving the presidency alone, but the opposition and businessmen have urged the polls be held jointly.

Mr. Marcos called for the snap poll early this month, saying he wanted to get fresh support after 20 years in power for his efforts to combat a growing communist insurgency and end two years of economic problems. Mr. Virata earlier estimated that the two elections would cost this debt-ridden country a total of 800 million pesos (42 million dollars).

Governor Fernandez, describing himself as "the type who wants to save money," today said "if I can do it with one I'd rather do it with one, but there may be other overwhelming reasons why there should be two (elections)." There are fears that separate polls next year would cause annual inflation to shoot up again from the current 10 per cent, a marked progress from the high of 63 per cent in October 1984. The opposition says the government might print new money to fund the election.

Gov. Fernandez said that "if the government spends out of its tax revenues there need not be the kind of inflation that everybody worries about." If the government turns to the Central Bank and asks us to finance it, obviously there will be an inflationary effect. The government has not come to the Central Bank to ask for resources for these elections," he said.

Mr. Virata, asked about guarantees that President Marcos will not use government funds for his reelection campaign, said budgetary allocations and the government auditing system were the "general safeguard."

He also cited the ban on new government projects during the election period. A cabinet bill pending in Parliament sets the campaign period for December 11 to February 5 and the election for February 7. The opposition prefers a synchronized poll in May but says it is ready to join a February election.

TECHNOCRATS SPECULATE ON ELECTION SPENDING

HK261214 Quezon City ANG PAHAYAGANG MALAYA in English 18 Nov 85 p 7

[Text] Monetary officials are girding for a borrowing spree by the national government in the coming successive elections for president and local officials.

"We (monetary board members) don't mind as long as they (the people in the administration) use government money," a high-ranking CB [Central Bank] official said. "But if they had to resort to borrowing from the CB to finance the spending, then that's another matter."

Prime Minister Cesar Virata admitted before the recently-concluded 11th Philippine Business Conference in Cebu City that the coming election would "destabilize" the economy. But Virata said he was worried more by the prohibition on government spending during elections than massive spending as other people feared.

The elections, tentatively set February for the president and May for local officials, will freeze ongoing infrastructure projects. The ban covers the 60-day period before an election. If the two elections are held as scheduled, infrastructure projects will be frozen practically the whole first semester of 1986.

The monetary board, which is made up of technocrats, will not ease money and credit restrictions just to please the administration, the official indicated. It was understood the technocrats will use the commitments to the International Monetary Fund and to other foreign creditors for a conservative monetary policy as a foil to political pressures. The members of the monetary board are Prime Minister Cesar Virata, CB Gov Jose Fernandez, Trade and Industry Minister Roberto Ongpin, Economic Planning Minister Vicente Valdepenas and private sector representative Cesar Buenaventura.

Government revenues have been sharply falling and there clearly is no source of money other than CB funds to finance election spending. The conservative monetary position of the technocrats, thus, could clash with the politicians need for spending money. The same CB official, nonetheless, said election spending could be the spark that would prime up the economy. He added that the CB is in a position to counteract massive flows of money into the system during elections.

In the last Batasan election, for example, there was a surge in the money supply from P32 to P35 billion. But in less than three months, the CB was able to bring back the money market with CB certificates of indebtedness. By issuing its own IOUs, the CB draws in available money. The results is less money in the hands of banks and businesses.

MINISTER DEFENDS CONSTITUTIONALITY OF BILL

HK260501 Quezon City Maharlika Broadcasting System in English 2300 GMT 25 Nov 85

[Text] Political Affairs Minister Leonardo Perez yesterday [25 November] said that the insistence of the opposition for President Marcos to resign before the special presidential election on February 7 is part of the continuing conspiracy to ban the president from running in the special poll. Perez says the actuations of the opposition is an indication of its weakness and lack of preparation to face President Marcos in a fair political combat. He made this remark as he rebutted opposition leaders' charges who assailed the constitutionality of Cabinet Bill No. 7 calling for a special presidential and vice presidential election. The opposition leaders said the president's letter announcing his intention to vacate the position when the election is held and the winner is proclaimed cannot be the basis for calling a special presidential election.

MILITARY TO POLICE POLLS WHERE PEACE THREATENED

HK260319 Manila Far East Broadcasting Company in English 2300 GMT 25 Nov 85

[Text] Comelec [Commission on Elections] chairman Victorino Savellano yesterday [25 November] stressed that elections are purely civilian affairs and that deputized military personnel shall only be called to police the polls in areas where peace is threatened. Savellano said that in no case shall the military be called to provide assistance other than to police the polls and maintain peace and order in areas where the conduct of the election is disturbed. He said the members of the Armed Forces would, as in the past, be deputized but will remain in their barracks during the election. Only when the poll body deems the military presence is needed shall it be called for assistance. The military shall be called for no other purpose during the conduct of the election.

On the possibility that citizens' military trainees [CMT] be tapped for assistance, the Comelec chairman said CMT's may not be deputized at all. On the citizens's arm to safeguard election malpractices, Savellano said a division in the poll body has been assigned to review and recommend which among the applicants are to be accredited.

KBL PROCLAMATION CONVENTION SET FOR 7 DEC

HK270729 Dagupan City DZDL Radio in Tagalog 0445 GMT 28 Nov 85

[Text] The ruling KBL party will hold a national election at the Manila Hotel on December 7 to nominate and proclaim President Marcos as the administration's official presidential candidate for the 7 February election. Deputy Prime Minister Jose Rono told Batasan newsmen that the convention will be attended by 5,000 delegates including ex-congressmen, senators, governors, members of the interim Batasan, provincial party chairmen and incumbent KBL members of the assembly. According to Rono, the possibility of the president choosing Mrs Marcos as his running mate is a remote one. He also said he himself is not included in the list of possible vice presidential candidates.

Rono said that the convention will serve to give the party's vote of confidence to the president and will grant him the authority to choose his running mate. He said it is hoped that Marcos will reveal his choice for vice president before the 11 December deadline for the submission of certificates of candidacy. Rono added that it is possible the KBL's vice presidential candidate will not come from the Visayas or Mindanao, thus breaking the tradition of geographical representation. He said, however, that he did not believe the president would go against this tradition.

MARCOS LAMENTS HIJACK DEATHS, CALLS FOR UNITY

HK261230 Hong Kong AFP in English 1214 GMT 26 Nov

[Text] Manila, Nov 26 (AFP) -- Philippine President Ferdinand Marcos today called on democracies to unite against international "terrorism" as he lamented the reported deaths of 11 Filipinos in the Egypt Air hijack tragedy. Mr. Marcos said in a statement that he sympathized with all those who suffered from the ordeal, particularly the families of 11 Filipino seamen the Foreign Ministry described as "presumed killed" in the incident. Three other seamen were injured while seven women belonging to a dance troupe were among those freed by the hijackers, the Foreign Ministry said. A total of 21 Filipinos were aboard the jetliner.

NEW PATRIOTIC ALLIANCE STAGES ELECTION BOYCOTT

HK261147 Hong Kong AFP in English 1116 GMT 26 Nov 85

[Text] Hundreds of protesters today called for a boycott of the planned presidential election unless President Marcos institutes electoral reforms and steps down before running. The illegal procession, estimated by police to be 1,500-strong, marched to a central Manila plaza with red banners and streamers blasting the "U.S.-Marcos Dictatorship." It was led by the New Patriotic Alliance (Bayan), a left-leaning umbrella group. Bayan spokeswoman Loreta Ann Rosales told AGENCE FRANCE-PRESSE the planned election was Mr. Marcos's "response to the pressure of the U.S. for political and economic reforms."

"It's a Marcos ploy that does not contradict the U.S. scheme to bolster the dictatorship by broadening its political base," she added. The protesters later marched close to the presidential palace but dispersed voluntarily, scrapping a plan to march to Mr. Marcos's heavily guarded official residence.

JUSTICE, DEMOCRACY GROUP REBUTS WOLFOWITZ CLAIMS

HK260855 Manila BUSINESS DAY in English 25 Nov 85 p 8

[Text] The American military bases in the Philippines provide the single most compelling reason for the U.S. to intervene in the country's internal affairs, while using these facilities to assure itself of continued domination of countries in the Association of Southeast Asian Nations, according to the Nationalist Alliance for Justice, Freedom and Democracy [NAJFD].

The NAJFD issued the statement in answer to claims made by U.S. Assistant State Secretary Paul Wolfowitz that the loss of U.S. military bases in the Philippines would have more serious implications for the ASEAN nations than for America. Wolfowitz also earlier stated that anyone who suggests that the U.S. bases in Clark Field in Pampanga and in Subic Bay in Zambales be dismantled "doesn't know the problems" this would pose. In reaction, NAJFD secretary-general Alex Padilla countered: "They (the Americans) are the problem and we know it." He added that the Americans killed more than 600,000 Filipinos in the 1900s just to establish American dominion in the Far East.

Padilla also accused the U.S. of funding terrorist groups to subvert sovereign nations like Nicaragua and of intervening in the internal affairs of other countries to assure its dominance as a leading world power.

He cited the U.S. invasion of Grenada and its intervention in Vietnam, Chile, the Middle East as well as American support for repressive regimes in Third World countries. Padilla also said that what the U.S. sees as communist insurgency in the Philippines is, in fact, "Filipino resistance against foreign domination and the oppressive Marcos government supported by the U.S."

He added: "It is but a continuation of the Filipinos' historical struggle against U.S. colonialism which now has taken the form of a dictatorship by the U.S. and its local ally, President Marcos."

In a separate statement, Padilla denounced the snap elections being sought by the president to seek a fresh mandate from the people next year as a "ploy to divert the attention of the people from such raging issues like the probable acquittal of Gen. Fabian Ver from all links in the assassination of ex-senator Benigno Aquino Jr., the possible rub-out of Dr Potenciano Baccay, the economic crisis and the continuing violation of human rights in the country."

Padilla dared Marcos to demonstrate his sincerity in addressing the fundamental issues by heeding the people's call for an end to political repression and terrorism, the repeal of Amendment No. 6, the release of Davao human rights lawyers Marcos Risonar, Laurente Ilagan, Antonio Arellano and other political prisoners, the return of Fr. Rudy Romano and the dismantling of the Civilian Home Defense Forces. He added that the election framework defined by Marcos as shown in the provisions of the proposed Cabinet Bill No. 7, is out to ensure his victory and allows no room for any opposition candidate to win.

PAPER WELCOMES PROPOSED U.S. PROBE OF AID FUNDS

HK261137 Quezon City ANG PAHAYAGANG MALAYA in English 15 Nov 85 p 4

[Editorial: "Where's the Money?"]

[Text] A move initiated by United States Sen. Edward Kennedy of Massachusetts to probe American fund disbursements to the Philippines should be a welcome development in the conduct of Philippine-American relations.

In an official communication to the General Accounting Office (GAO), Kennedy called for an independent study on U.S. aid to this country, including the economic support funds, security assistance and the military assistance programs. The Massachusetts solon is especially concerned with the way these funds have been administered locally the past years. Some quarters have expressed claims that these money aids could have been "diverted" in the wake of reports in the American press of a flurry of real estate purchases allegedly by the president's wife and his cronies. Kennedy urged the "fullest possible accounting" of these funds and responsibility established should a diversion be found.

Those who know the real score here have opined that the senator's action should have come sooner, but then, the fact that it came out at all should be sufficient reason for us to be thankful. It shows that at least there are people over there who are still interested in the welfare of this so-called republic to do something about it, like Congressman Stephen Solarz and some highly-placed State Department and Pentagon officials who have always expressed their honest views on the continued deterioration of the political system here.

It does not take any special power to predict that in a few days, Malacanang lap dogs will start growling against "interference" and "meddling" in the affairs of a sovereign country. They will howl at the moon if told to do so for this is how power and help are earned most effectively from the conjugal rulers.

They may bray and howl all they want but the U.S. GAO is not exactly as abject and servile as its local counterpart. It will do its job as expected and many Filipinos will closely follow the course of its inquiry into these funds and other U.S. aid through its heavy contributions to the World Bank and the International Monetary Fund.

For millions of Filipinos, it should comprise the juiciest of tales to know how a good part of these assistance and loan funds was stolen and how much was stolen. They are no longer interested in knowing who the thieves are or in knowing where the thieves who have caused unspeakable misery to fall upon us all have taken it. They know. They indeed know who have been buying up the borough of Manhattan.

LAUREL DENIES CURRYING FAVOR ON TRIP ABROAD

HK250921 Quezon City ANG PAHAYAGANG MALAYA in English 20 Nov 85 p 6

[Text] Former Sen and Unido [United Nationalist Democratic Organization] president Salvador Laurel denied yesterday reports that his recent trip to the United States was aimed at courting American support to seal his bid for the Philippine presidency. Laurel told students at the De la Salle University that his U.S. visit was not meant to seek American approval for his presidential ambition, but was made at the behest of his supporters in the Filipino community there.

Laurel said he met with American public officials, but did not, however, elaborate. Political observers say that Laurel's U.S. trip was aimed at soliciting the final nod of American foreign policy planners. "If Doy Laurel becomes an American boy, a Japanese boy, a Russian boy...Doy Laurel will not be the president," the opposition leader said.

LAUREL CAMP WANTS UNIFICATION COMMITTEE CONVENTION

HK261253 Hong Kong AFP in English 1211 GMT 26 Nov 85

[Excerpts] Manila, Nov 26 (AFP) -- Opposition leaders today called for a national convention to select their presidential candidate, as Corazon Aquino maintained silence on the more than one million signatures of support for her candidacy in the snap Philippine poll. Members of parliament meanwhile continued debate on the proposed law governing the presidential and vice presidential poll set for February 7, which President Ferdinand Marcos has called to get a fresh mandate for his troubled 20-year-old regime.

Opposition leaders identified with presidential aspirant Salvador Laurel called for a convention of the National Unification Committee (NUC) if talks among potential candidates fail to result in an agreement by next Sunday. Mrs Aquino, the popular widow of the president's murdered political rival, Benigno Aquino, may announce by Sunday whether she would accept a draft, sources said.

TATAD ON HARM CAUSED BY OPPOSITION QUARRELS

HK220741 Manila BUSINESS DAY in English 20 Nov 85 p 4

["Here and Now" column by Francisco S. Tatad: "The Troops or the Holy Grail?"]

[Text] MP Cecilia Munoz Palma's resignation as chairperson of the National Unification Committee [NUC] could not probably have been avoided after the storm in last week's NUC meeting. But many of the things that have been said since seem to me completely unnecessary and avoidable.

A simple letter containing generalities rather than a vivid account of the former justice's encounter with Unido's [United Nationalist Democratic Organization] Doy Laurel would have been less damaging. It would have shown her enormous capacity to bear the deepest personal wounds. Not all wounds are to be hidden, just as not all wounds are to be shown either; it affirms rather than detracts from her dignity that she reacted firmly to the unjust remarks made against her during the closed-door meeting. But there are those who believe she could have, and should have, as presiding officer, banged the gavel on him and ruled him out of order. Having allowed him to express himself with vigor, she might have left it for the public to speculate on the real reason for her resignation.

But no, she decided to bare her wounds. In this, she showed her honesty and integrity, which are admirable, but she also showed her lack of political craft and experience. For this, no one should fault her; it was precisely her not being a political type that made her an ideal chairperson, and which, in fact, made her chairmanship of the NUC refreshing. And yet, it will have to be asked at this time whether the price she chose to make Laurel pay has not cost the opposition as much, if not more.

For his part, Laurel might have averted his present public relations nightmare if he had been quick to kiss and make up with Palma before leaving the meeting room. As a gentleman and an opposition frontrunner, it should have cost him nothing to tell Palma that he had overreacted to a minor provocation. Could Palma have resisted the charms of a contrite presidential timber? Not unless she had a heart of stone. That would have buried and completely extinguished the incident, and it would have projected Doy as a man capable of committing the most human of errors, and capable also of acknowledging those errors, and learning from them. He would have transformed one unfortunate incident into something in his favor. As even the just man sins not seven times, but seventy times seven, one is not discredited for committing an error but for refusing or failing to recognize one's error. As a presidential aspirant and a gentleman, he need not have been wrong at all in order to apologize to the 72-year-old lady -- sufficient that his short speech had raised the level of conversation -- and the temperature -- inside the room.

Enough has been said, and enough harm done to the image of Doy Laurel, and to the unity of the opposition. He has to make up with Palma, and from hereon, the other opposition leaders must take extreme care not to add to the problem. A paid ad in the BULLETIN TODAY seeking to assail Palma's claim of impartiality as NUC chairman and attributed to "the NUC majority" only helps to widen, rather than end, the problem. First of all, it deeps the controversy going before the full glare of public opinion, and then it invites the disclaimer of every NUC member who does not wish to be identified with the quarrel or the quarrelsome advertisement.

At this point, one can only regret, but not undo the harm done. But without minimizing it, one should not exaggerate it either. It has increased the challenge to the opposition to pursue the idea of a single common candidate in a snap election.

It is much too soon to give up and say, as Palma has been provoked to say, that the pursuit of such objective has become illusory and impractical. The opposition must give it the chance it deserves, and not abandon it at the first sign of trouble. It must give it up only after everything has been tried; and it has not tried everything.

The small parties -- the Christian-Social Democratic party, Mindanao Alliance, Concerned Citizens' Aggrounation, Muslim Federal Party and the National Union for Liberation -- have announced their willingness to do their share by acting as a channel of communication between the two major contenders. The bigger parties can perform their appropriate roles by helping define the process, in which all the participants are equitably represented, and through which a single common opposition candidate may be chosen. Without such process, it would be foolish to hope that there will be just one candidate for the opposition.

There is nothing inherently wrong -- or indefensible -- in having more than one opposition contender. If the more popular candidate of two opposition contenders happens to also have the official accreditation as the dominant opposition party candidate, and therefore the poll inspectors, then the fight -- even with some official cheating -- is winnable. But if one has -- in Blas Ople's words -- "the troops," and the other, "the holy grail," it would be immodest and wishful to think of winning. The challenge to the opposition is to make sure the troops are under the command of the one who has the holy grail, or that there be unity between the one in command of the troops and the one with the grail.

COLUMNIST EXAMINES UNIFYING THE OPPOSITION

HK220707 Manila METRO MANILA TIMES in English 20 Nov 85 p 85 p 4

["The Jaywalker" column by Arturo A. Borjal: "The Opportunists Among Us"]

[Text] A man who walks around in wooden sandals has been given the giant task of unifying the floundering opposition. Former Senator Francisco 'Soc' Rodrigo has just been elected chairman of the National Unification Conference [NUC] to replace MP Cecilia Munoz Palma. His first task is to talk to four opposition aspirants to the presidency and persuade them to agree on a single presidential candidate. The four are Corazon Aquino, former Senator Salvador Laurel, MP Eva Estrada Kalaw, and former Senator Jovito Salonga. Rodrigo will mediate the talks, and he hopes the four will agree to an amicable settlement.

If the top-level talks among the four bog down, the fallback will be the original selection process under the NUC or an executive committee of 28 to do the selection. How to select the vice presidential bet might also be taken up in the dialogue of the four.

The "new" NUC under Soc Rodrigo has elected Bren Z. Quiao, former Concon [Constitutional Convention] delegate, secretary general. Quiao's election appears a mere formality, considering that there won't be much organizational work in the NUC. After the Rodrigo-initiated talks, the NUC shall have lost all reason for existence. The campaign of the chosen standard bearer will then be handled by grassroots groups.

Who is so naive among us that he will believe Salvador 'Doy' Laurel did not shout at Justice Cecilia Munoz Palma during the ugly incident at the November 15 NUC meeting in Makati. There were only 12 people inside the small meeting room -- and even Doy's whisper would have been audible. Unless Doy wants the people to believe that all persons inside the room were deaf, his version of the incident is a fairy tale. He'd better come up with something else. The rahrah boys of Doy Laurel are not helping him any. They are now calling Cecilia Munoz Palma a liar, a teller of half-truths, and a "scheming old woman" (that's MP Luis Villafuerte, who has big political ambitions also). Doy's zealots are digging their own political graves. With all the awful mistakes they're making, they may soon see themselves buried by mudflow like Colombia's.

If Doy Laurel ever becomes president, will he and his men correct their errors the same way they are doing now. By peddling unbelievable concoctions? By smearing their foes? By insulting the intelligence of people with their "versions?" Is Doy really going to give us a better government than the present one?

The Laurel camp's paid advertisement in a morning daily does not help Doy's cause at all. In fact, the ad reveals what kind of people they are months ago, when the Unido and Laurel needed Cecilia Munoz Palma to bolster their image, they couldn't praise her enough. Now that they discovered that she has a mind of her own, they're dredging the dirtiest gutters to find names that will fit her.

The two most rabid anti-Cory Aquino zealots of Doy Laurel have one thing in common; both former Senator Rene Espina of Cebu and MP Fermin Caram of Iloilo used to be President Marcos loyalists. Espina was on the ill-fated KBL ticket in Region 7 which participated in the 1978 elections for the interim Batasang Pambansa [IBP] and lost ignobly to the Pusyon Bisaya. He also wanted to be Cebu City Mayor but was never nominated when it was found out he was so unpopular in his neighborhood he couldn't have won even as a dogcatcher. And here he is now, posturing as an opposition intellectual giant!

On the other hand, Caram was a Marcos loyalist throughout most of his political career who enjoyed many benefits under Mr Marcos. When he ran and won in the IBP, it was a KBL candidate, but such is the fickleness of politics and politicians that when he saw Roberto Benedicto being more favored than he, Caram went to the Unido.

If Cory Aquino makes it in the coming elections, Espina and Caram will return to the Political dustbin. But a Doy Laurel victory will make Espina either minister of local governments or even prime minister. He can hardly wait, we're sure. Caram wants badly to be sugar czar and regional kingpin of Western visayas. Both Espina and Caram are unacceptable to the cause-oriented groups which view them with contempt as mere opportunists.

The candidacy of Cory Aquino was virtually announced by the Coalition of Democratic Forces at its initial meeting at Club Filipino. Moderate oppositionists and street protesters got together to map out, in a four-hour meeting, the strategy to push Cory to victory in the coming presidential election. With or without election inspectors, and so long as basic electoral safeguards are instituted, the Coalition of Democratic forces will pursue its quest for the presidency.

Now that she is out of the National Unification Conference, Munoz Palma is speaking more freely of her choice for the opposition's presidential bet she told reporters that Cory Aquino fits the criteria of moral leadership to govern. The respected lady is expected to go all-out for Cory's candidacy.

VALENCIA VIEWS PREPARATIONS FOR ELECTION

HK250507 Quezon City Maharlika Broadcasting System in English 0130 GMT 25 Nov 85

["Analysis of the News" by Teodoro Valencia]

[Text] The Commission on Elections has said more than once, they almost repeat it once a week, that everything is ready for the snap election or for any kind of an election, but they can't tell if it's worth the money. The expenses for a snap election have been detailed and for the local election, similarly stated. All that the Commission on Elections wants to hear from the national government is that their accreditation be funded. Insofar as being ready for an election is concerned, Chairman Savellano has said it more often than not, almost every [words indistinct], that the commission can be ready for an election even if it were to be held on 17 January 1986.

Now that January 17, 1986 is out of the question and the earliest possible snap election will be February 7, then it follows the Commission on Elections will be more than ready.

Now the question is: How ready is ready? If what Mr Savellano means is that they have the ballot boxes, the printing paraphernalia for printing the ballots, and the administrative mechanism to make sure that the counting is done properly, then it is right. The problem is: Are we, the Filipinos, the voters, ready? Right now what is being debated very very keenly and, shall say, [word indistinct] is how do we determine who will man the polling places? Anyone [words indistinct] teachers should be there, but the teachers are not the [words indistinct] anymore. Then, of course, the Namfrel, the National Movement for a Free Election, is saying that they alone should be deputized by the Commission on Elections as the sole right hand of the Commission on Elections -- something which is being disputed by many organizations. In fact, the KBL, the ruling majority party, is not convinced that Namfrel is neutral. In the election in 1984 election for members of the Batasang Pambansa, there were evidences to prove that Namfrel was less than neutral. But Namfrel proudly says they are will welcome any organization to help us achieve the same purpose, and the Commission on Elections is, it would seem, not disposed to listen to the entreaties of the Namfrel. Many people suspect Namfrel has some connections with the United States also.

Then again, who will be the poll watchers? The people in the Batasang Pambansa are more or less agreed that the members of the local barangay hierarchy, the barangay captains, members of the barangay council, the tanods [guards] can be a great help, but the opposition people say no. They would not like the barangays to participate because, in their view, the majority of these barangay people are partial to the KBL. But what of the towns and cities where the tanods, the barangay captains are sympathetic to the opposition? We don't know what will be the final agreement among the members of parliament because the final form of the election code is not yet visible. There are many possible amendments and before they decide whether or not to have a snap election, we should [words indistinct] to decide how we are going to hold an election, any kind of an election.

The people are, naturally, [words indistinct] the Commission on Elections. And of course the Commission on Elections has been the special target of the opposition politicians, but not lately. Why? Because it would seem now that the great majority of the voters of this country have faith in the Commission on Elections [Comelec] after a credible performance in the last election of members of the Batasang Pambansa.

So, with the Comelec coming out with a brand-new image, an image of credibility, the teachers eager to help and the voters no guard against any possible [word indistinct] of the voting places by people other than those interested in clean and honest balloting, I think we are headed for better days, better election contests, and a more honest count of the votes that will be written on the ballots.

OPPOSITION'S CONSIDERATION OF BOYCOTT VIEWED

HK251232 Quezon Cith WE FORUM in English 19-25 Nov 85 p 3

[By Joey Salgado]

[Text] One question nags the minds of the political opposition which, with the announced holding of emergency presidential polls early next year, has been kept busy holding unity gabs and keeping watch on Malacanang pronouncements: to boycott, or to participate.

With the "onerous" terms appended to the holding of snap poll, it seems that the boycott option is slowly catching up even among members of the moderate opposition who are starting to see through the whole Marcos ploy.

Cabinet Bill No. 7, which lays down the ground rules governing the conduct of the emergency election and contained a postdated "resignation" letter from Marcos, has been assailed as unconstitutional and highly irregular. This anomalous situation has prompted several members of the Batasan opposition to contemplate on boycotting the Marcos snap circus, to the extent of setting up barricades at polling centers come election time. Whether all this talk of boycott is mere exercise in fiery rhetorics on the part of the opposition to wrangle some concessions from Marcos remains to be seen. It would be worth remembering, however, how it backtracked on an earlier agreement in 1984 to boycott the Batasan elections should Marcos fail to grant their demands for meaningful participation.

The National Unification Committee reportedly also considered boycott if the Cabinet bill passed by the Batasan to govern the emergency election is deemed unconstitutional. The NUC came out with this position after a closed door meeting in Makati late last week, although it did not say exactly what moves it would take in the event they determined the election bill unconstitutional.

The militant Bagong Alyansang Makabayan, made up of cause-oriented groups which pushed through with the boycott drive last year, had, as of presstime, yet to come out with a definite position on the snap poll. Rather cautiously, and lest they be thrown into a very awkward political spot, Bayan has chosen to bide its time and watch the political circus unfold fully.

Lawyer J. Virgilio Bautista, director of Bayan's electoral struggles commission [ESC], hazards the idea that the emergency polls may not even push through, since the United States, the regime's principal benefactor, has no intention of junking Marcos yet, and that Marcos, the crafty politician that he is, will not risk losing his throne to political rivals. He added, however, that everyone should keep an open mind and "plan for any contingency."

The ESC, which serves as Bayan's electoral arm, branded Marcos' call for snap presidential election as characterized by anomaly, irregularity, tentativeness and confusion from the very start. "Marcos himself cannot seem to make up his mind. Perhaps all these are precisely designed to confuse and humor the public, and lure the opposition ultimately into a trap," they said.

All the media attention generated by Marcos' snap announcement that he is placing his rule in the hands of the electorate can rival London's Chippendale Circus. And the opposition as expected, was caught with its pants down. A unity summit failed to unify the various political parties on a common presidential bet, which appears to be a toss-up between a reluctant non-candidate, and an eager presidential aspirant who is not about ready to yield his personal ambitions, despite pronouncements to the contrary.

While saying that the snap poll decision appears to be a product of the wily Marcos mind, Bayan would not put the United States out of the picture, since it stands to gain from the recent political gambit. With events unfolding almost daily, Bayan has chosen to approach the whole affair coolly. "The cause-oriented movement," they said "loses nothing in approaching this development with enough sobriety and circumspection."

One thing is obvious, says Bautista. Whether the emergency poll pushes through or not, Marcos stands to gain a lot. He could always cancel the snap polls, laying the blame on the Batasan opposition for putting up legal impediments to his desire for a fresh mandate. Other government institutions, like the Supreme Court, can play up to this, and Marcos would appear forced to call off elections. "Thus, he mollifies the U.S., while keeping all his power intact until 1987."

On the other hand, should the emergency election go on as scheduled, given the short campaign period, the post-dated resignation, his control over the military and other machineries of government (and we hasten to add, the messy state of the opposition), Marcos is certain to win. "Heads, Mar wins. Tails, the people lose," the ESC said.

So what are the options? Bayan's ESC posits three: an active boycott of the same nature as the 1981 and 1984 drives; non-participation, which would mean Bayan would keep mum about the whole thing; and participation by actively supporting and campaigning for the opposition standard bearer. "As things stand, however, given Marcos' fake resignation, Cabinet Bills 2 and 7, and the early poll date," the ESC said, "it cannot see how Bayan can participate." "We cannot conspire with Marcos in violating the constitution, nor can we delude our people into thinking that Marcos can really be ousted this way," they said. Everything that Marcos is doing "is a mockery of the people's sacred right to suffrage."

But should the election be rescheduled, preferably synchronized with the local polls which Bayan is girding for, "the three options can be opened again."

Thus, Bayan has stated its support for the 9 demands raised by the Convenor Group as prerequisites to meaningful participation, and threw in some of their own. These are the irrevocable resignation of Marcos, synchronization of the presidential and local polls, a revamp of the Commission on Elections, the accreditation of an impartial citizen's electoral group, the abolition of the PDA [Presidential Detention Action] and all repressive decrees, restoration of the writ of habeas corpus, equal access to media, the dismantling of the CHDF [Civilian Home Defense Force] and the confinement to quarters of all military men during the campaign period, and the release of all political prisoners. Without these conditions, Bayan said, the opposition will definitely not be given a sporting chance in ousting Marcos through elections, snap or otherwise.

NATIONAL DEMOCRATIC FRONT COMMENTS ON ELECTIONS

HK251137 Quezon City WE FORUM in English 19-25 Nov 85 p 15

[Text] [Editorial note] The recent political developments in the country, enlivened by President Marcos' announcement he would call a snap presidential election early next year, have set off analyses and speculations from broad segment of Philippine society. WE FORUM received one such analysis, in a question-and-answer format, by the National Democratic Front. [end editorial note]

1. Do you think the snap election President Marcos has agreed to hold will be a fair and honest one?

To begin with, there is no certainty that a snap election is to be held. Announcements emanating from Malacanang unmistakably indicate another charade meant to confound and deceive.

As for such an election being "fair and honest," granting that one is to be held, experience has taught the Filipino people that electoral exercises under fascist rule are nothing but a farce characterized by rampant rigging, vote-buying, fraud and terrorism. There is no reason to believe that the next one will be any different, especially considering that the Marcos clique is desperately trying to hold on to political and economic power. As in the past, the clique will do all it can to falsify the people's will. Perhaps more so today than in the past.

2. Will an election upset your timetable for a strategic stalemate? Why?

The national-democratic movement has been advancing steadily over the years, and especially in the last few years. Objective conditions in our society continue to be excellent for the momentum to accelerate even more in the next few years.

It is altogether possible that the dictatorship's mendacious propaganda may deceive the less politically sophisticated sections of the population into believing that an "election" could lead to wide-ranging reforms. Our history has shown, however, that fundamental reforms can be brought about only with a complete overhaul of the present system, not through an "election."

It is the task of the national-democratic revolutionary movement, as it is the task of all other revolutionary and progressive forces in the country, to help disabuse the minds of those of our people who may continue to harbor false illusions about the present system's elections. Corollary to this is the task of helping to indicate the correct path towards the attainment of fundamental reforms.

3. What is your assessment of who the KBL will field as a candidate?

Marcos has announced that he is running. Whether it is he or somebody else in the Marcos clique that runs for the presidency, there is no indication that there will be any essential change in the clique's political and economic orientation and objectives.

This means the Marcos clique will continue to fight for the interests of U.S. imperialism, of the comprador big bourgeoisie and of the landlord class, and against those of the broad masses of the Filipino people. And with the prodding and benediction of U.S. imperialism, it will maintain and even intensify fascist rule, with some cosmetic reforms for purposes of deception.

4. Will you help the opposition candidate? Why?

As a matter of principle, the National Democratic Front is committed to the unification of all revolutionary and progressive forces, and indeed all positive forces, to hasten the overthrow of the U.S.-Marcos dictatorship.

With regard to the Marcos regime's supposed snap election, we have given our comment in answer to question No. 1. We are keeping tabs of all major political developments and will make a decision in due time, if such a decision is called for. Our principal guide is what advances our people's national and democratic aspirations and struggles.

5. It is reported that the USSR is ready to provide assistance to the movement. What kind of assistance do you seek?

The National Democratic Front has made an open call to all revolutionary and progressive parties, movements, organizations, groups, individuals and even governments throughout the world to extend political and material assistance to the Filipino people's revolutionary struggles for national independence and democracy. Overseas, there is a vast reservoir of goodwill for our people's aspirations and struggles.

While our movement is fundamentally a self-reliant one, it is but correct that we tap the help of friends throughout the world. This is especially true today that the Marcos regime is receiving increasing aid from its principals in the imperialist and reactionary camp, mainly U.S. imperialism and secondarily Japanese imperialism.

Regarding the question of assistance from the USSR, we reiterate our previous statement that no offer of assistance has come from that direction and neither have we received any.

There was a report in some of the local newspapers which apparently was crafted by U.S. imperialism for its own purpose. The most apparent is to justify its increased military and other assistance to the Marcos regime, and to justify its maintenance and even upgrading of Clark Air Base and Subic Naval Base.

6. What is your assessment of Imelda's trip to the U.S., the USSR and Japan, bringing with her a dozen assemblymen?

Some sections of the domestic media have reported that for her latest palabas, she spent millions of Jollars of our people's money, at a time when our people are dying of hunger. Such insensitivity and callousness have been a hallmark of the Marcos regime.

7. Marcos has vowed to wipe out the insurgency in one year. What is your reaction?

From what we understand, Marcos made his statement in an effort to extract more and more military and other assistance from his U.S. imperialist masters.

As for wiping out the national-democratic revolution, what Marcos said is plain braggadocio and nothing more. Since 1972, Marcos and his imperialist masters have imposed a reign of terror on the Filipino people in an effort to suppress their national and democratic struggles. In the process, the U.S.-Marcos dictatorship has massacred, "salvaged," tortured, imprisoned and otherwise committed violence on millions of our people. These include the peasant masses, among them our Moro brothers and sisters, who have been forcibly ejected from their homes and farms.

The best proof that the U.S.-Marcos scheme has been an utter failure is that the national-democratic revolutionary movement not only has withstood the bloodiest of fascist onslaughts but has succeeded in expanding throughout the land. The best proof that the revolutionary movement will advance even more in the years to come is that our people, in cities and countryside, are rallying in ever greater numbers to the banner of the national-democratic revolution. This notwithstanding the dictatorship's fiercest fascist assaults.

Even as we say this, we wish to point out that every warplane and combat helicopter, every tank and artillery piece, every rifle and bullet that U.S. imperialism gives its puppet Marcos regime is used by this regime against our people to suppress their national-democratic aspirations, and maintain the present semicolonial and semif feudal order.

For this reason, we call upon our brothers and sisters, the American people, to stop U.S. imperialism and particularly the Reagan administration from further conniving with and assisting the corrupt and bloodthirsty Marcos regime.

COURT WARNS AGAINST AQUINO CASE SPECULATION

HK230602 Hong Kong AFP in English 0436 GMT 23 Nov 85

[Text] Manila, Nov 23 (AFP) -- The court which handled the Aquino murder case has warned against public speculation on its verdict, saying rumor-mongers could face criminal charges, a Manila newspaper reported today.

Presiding Justice Manuel Pamaran also indicated that the decision -- which had been scheduled for announcement Wednesday but was deferred after the Supreme Court issued a temporary restraining order -- could still be changed, the TIMES JOURNAL said. General Fabian Ver and 25 other mostly military men went on trial from March to September for alleged conspiracy behind the Manila airport murder of President Ferdinand Marcos' chief political foe Benigno Aquino. They are also accused of murdering a gangster allegedly hired by communist guerrillas, who the military claimed assassinated Mr. Aquino in August 1983.

The court was apparently referring to persistent coffeeshop talk and predictions by some columnists that the armed forces chief of staff and the other high-ranking officers of the two murders would be acquitted. The court said rumor-mongers and those who caused the publication of rumours were criminally liable for violation of confidentiality of records, aside from facing contempt of court charges, the JOURNAL said. The court was closed for the weekend and the three presiding justices could not be reached for comment. The high court issued the restraining order Tuesday and agreed to look into charges of trial irregularities aimed by a group of prominent Filipinos seeking a retrial of all the accused. The trial court's judges and the national ombudsman who were the subject of the petition vehemently denied the charges.

LIST OF 25 'OVERSTAYING GENERALS' RELEASED

HK261439 Manila METRO MANILA TIMES in English 25 Nov 85 pp 1, 5

[By Arnold Atadero]

[Text] A list of overstaying generals of the Armed Forces of the Philippines (AFP) with their respective number of extensions in the active service was released yesterday by authoritative sources in Camp Aguinaldo. Under the AFP retirement law, anyone who reaches the age of 56 or has served for 30 years, whichever comes later, must retire. The list showed that the "topnotcher" was Maj Gen Delfin Castro, AFP Regional Unified Command (RUC) IX-(Western Mindanao) chief and concurrent Southern Command (Southcom) head. He topped the list of extendees with a total of 16 extensions for a total period of eight years beyond his original date of retirement.

Castro is followed by Maj Gen Prospero Olivas, PC [Philippine Constabulary] -Metrocom chief on leave, with 14 extensions and Brig Gen Ramon Canaj, Army vice-commander, also 14 extensions.

The rest were Brig Gen Santiago Barangan, Presidential Security Command (PSC) chief, 13 extensions; Brig Gen Pedrito de Guzman, assigned to Camp Crame on account of multiple gunshot wounds he sustained in an ambush in Cagayan de Oro City last Jan 20, 9 extensions; Brig Gen Angel Kanapi, AFP attache in Washington, D.C., 13 extensions; Brig Gen Hamilton B. Dimaya, AFP judge advocate general, 6 extensions; Commodore Alfredo Protacio, chief of the Naval Support Command, 7 extensions; Brig Gen Andres Ramos, AFP-RUC 4 (Southern Tagalog) commander, 8 extensions; Brig Gen Alexander Felix, RUC 2 (Cagayan Valley) chief, 6 extensions; Brig Gen Angel Mapua, commander 5th Fighter Wing, Philippine Air Force (PAF) and Commodore Serapio Martillano, deputy chief of staff, 4 extensions each.

Also extended for four times now were Brig Gen Salvador Mison, RUC 8 (Eastern Visayas) chief; Commodore Brillante Ochoco, Philippine Coast Guard (PCG) commandant; Brig Gen Arsenio Silva, PAF chief of staff; Brig Gen Mariano Miranda, chief of the Army's First (Tabak) Infantry Division; Brig Gen Madrino Munz, commander of RUC 10 (Northern Mindanao); Brig Gen Sinforoso Duque, AFP adjutant general, 6 extensions; Brig Gen Leo Santos, chief of the AFP Communications and Electronic Services, 7 extensions. Many of the overstaying generals are field commanders handling several battalions and a few divisions compared to some who are virtually chief administrative clerks.

Sources disclosed that there are a total of 99 general and flag officers in the AFP. Of the Number, 32 are from the Philippine Army, 32 are from the PC, 15 are from the Philippine Air Force, 16 are from the Philippine Navy, and four are from the Technical Services. The list showed that there are only 25 generals on extended service or about 26 percent of the 99 general and flag officers. Of the 25 extendees, 22 are regular officers and three are reserve officers.

There are at present 72 non-extendee generals. Brig Gen Jose P. Magno, RUC 3 (Central Luzon) commander, is the most senior of the non-extendees.

President Marcos has created a board of generals and colonels which will recommend to the Ministry of National Defense and to him the steps to take to completely reorganize the AFP from top to bottom. Ordered to help were Gen Fabian C. Ver, AFP chief of staff (on leave) and Lt Gen Fidel V. Ramos, acting AFP chief of staff. The president said in a recent conference with top defense and military officials that most of the officers to be affected in the reorganization were assigned to their present posts during the tenure of Ver as chief of staff.

The president said he assumed that all "extendee" officers "are now ready to retire." He said, however, that overstaying officers would be retired if it "does not cause a hiatus or void in our operations and in the command structure." The president added that "it would be tragic to just retire officers who have no replacements and stop operations."

Ramos assured the president that the officers to be retired already have capable understudies who can immediately take over the vacated positions.

The president announced a revamp in the AFP to enable young officers to move up and make the organization more effective in the anti-insurgency campaign.

In an interview with reporters late last week, Ramos said he had recommended the retirement from the active service of "many" of the overstaying generals.

BUSINESS DAY: VER, RAMOS TO BE REPLACED

HK261229 Manila BUSINESS DAY in English 26 Nov 85 pp 5, 24

[By reporter Abrino Aydinan]

[Text] Two generals related by marriage to President and Mrs. Marcos are reportedly being groomed to assume two key positions in the Armed Forces of the Philippines (AFP) in a decision seen to be a "happy" compromise to satisfy American demands.

Brigadier Generals Roland Pattugalan and Edon Yap are expected to go up in the AFP hierarchy in a planned reorganization of the AFP-Pattugalan as the new chief-of-staff and Yap as Philippine Army (PA) chief, BUSINESS DAY learned from high-level sources in government. The two relatively young generals both belong to class 1957 of the Philippine Military Academy. Pattugalan currently heads the PA's Second Division based in Camp Capinpin, Tanay, Rizal while Yap commands the ARESKOM (Army Reserve Command) in Fort Bonifacio.

This putative development in the AFP has emerged as government ponders a new future role for Lt. Gen. Fabian Ver, the chief-of-staff who has been on leave since his indictment for alleged complicity in the Aquino-Galman murder conspiracy.

As the case against Ver and 21 other military men appeared headed for his acquittal, President Marcos repeatedly declared his intention to allow Ver to reclaim his position at the helm of the AFP "if cleared" of the murder conspiracy charge. The president's reason was that he has to honor a gentlemen's agreement among the generals before Ver yielded his post to acting AFP chief-of-staff Fidel Ramos.

Various U.S. Government spokesmen made no bones about the U.S. opposition to a reinstatement of Ver. U.S. Senator Paul Laxalt whom U.S. President Ronald Reagan sent as his personal envoy to express the American leader's concern over the situation in the Philippines, put the American disapproval of Ver's return to power in no uncertain terms. "The reinstatement of Gen. Ver for any extended period of time could well cause a firestorm in the (U.S.) Congress," Laxalt said.

Marcos gave the first indication that he could not ignore Washington's concern over Ver's comeback when he said in his interview with ABC's David Brinkley that he "never promised how long (Ver) was going to stay (if reinstated)." By last week, President Marco's plans for Ver appeared to have been reconciled to the U.S. position. The establishment press gave prominent press treatment to a report about Gen. Ver being "willing" to serve as a mere "consultant" to the AFP. Significantly, the relegation of Ver to the advisor role was announced in connection the AFP reorganization plan.

The last few weeks have seen a number of touted opinions on Ver scrapped when it appeared, the sources said, that these plans would not win U.S. approval. One such option considered would have both Ver and Ramos retired from the AFP. Ver would then go on to head a Ministry of Interior to be created which have left him with still vast powers. Ramos would be sent as a diplomat -- as initially considered, to Washington. Meanwhile, under the same plan, former deputy chief-of-staff Rafael Ileto whose distinguished military career ended with martial law when he was sent abroad as a diplomat, would come back to assume the AFP top post.

Ileto as AFP chief-of-staff would have pleased Washington which regards him as capable as fellow West Point graduate, Gen. Ramos, in presiding over the transformation of the AFP into a more competent and popular fighting force. But, the sources added, it was seen that the Americans would find the trade-off -- which would have placed the paramilitary forces and, possibly, even the Philippine Constabulary under Ver's ministry of Interior and, thus, create a potential rival to the AFP -- unacceptable.

With the latest plan, not only would Ver and Ramos be retired, but also other generals who have been recalled from retirement or had their tours of duty extended. This means retiring all the heads of the AFP's four major services, namely the Army, Navy, Air Force and the Philippine Constabulary. Ramos would be ambassador to Moscow instead of Washington in a move, the sources point out, that would reflect the Philippine government's concern over gratuitous American praises for the acting chief-of-staff's capability.

The retirement of the overstaying generals -- an issue which is a source of reported demoralization among the younger AFP officers -- would leave only five or six generals, all brigadiers. The stroke not only would remove the thorny question of what to do with Ver and then with Ramos but also leave Marcos with not unpleasant choices for the AFP's principal commanders.

Gen. Pattugalan is married to a daughter of former Education Secretary Juan Manuel and, therefore, a cousin to Marcos. Yap is married to Mrs. Marcos's youngest sister, Conchita Romualdez. Other relatives replacing another relative, Ver, and his loyal lieutenants certainly would not be a bad bargain for the harassed President.

At the same time, Gen Pattugalan instead of a reinstated Ver. and Yap vice PA chief Gen. Josephus Ramos, who is closely identified with the Ver camp, go a long way in meeting the American demand for a professional command in the AFP. Other sources say that despite Pattugalan's and Yap's ties to the First Family, they owe their rise in the AFP ladder more to their own merits than anything else. Given Pattugalan's field command experience he is respected by his peers, the sources say. Certainly, the sources point out, Pattugalan as well as Yap are acceptable not only to Marcos and the Americans but the AFP officers corps as well.

EDITORIAL VIEWS ARMED FORCES REORGANIZATION

HK260929 Quezon City ANG PAHAYAGANG MALAYA in English 19 Nov 85 p 4

[Editorial: "An Easy Solution"]

[Text] Yesterday, the president made a great show of reorganizing the Armed Forces of the Philippines [AFP] to make it a more effective instrument in the crucial fight against insurgency. The meeting was attended by topmost defense and military officials including Defense Minister Enrile, Chief of Staff (on leave) Ver, acting Chief of Staff Ramos, commanders of the major service command and members of the general staff. We are not in a position to know what happened, but if decisions were arrived at that would improve the military setup and infuse new vigor into the rank and file of the AFP, the basis of such decisions would have been simple and easy to find. In fact, the solution of what ails the military need not have been discussed in a top-level conference as was held yesterday. The simple and easy solution: Enforce the rules and regulations governing the operations of the Armed Forces of the Philippines, such as:

1. Retire all over-staying generals to give a chance to the next ranking officers and thus create a chain reaction of promotions;
2. Enforce strictly the rule on military discipline, from top to bottom, without fear or favor;
3. Do away with the various cliques in the military to remove favoritism and the pernicious and demoralizing bata-bata [patronage] system;
4. Weed out all soldiers, whether enlisted men, non-coms and officers whose records of service are nothing to be proud of; and
5. Allow the AFP to run itself in accordance with the Articles of War, with the least interference from the Commander-in-Chief.

In one word, "professionalism" should be injected into the military organization and into its workings. "Professionalism" will change the AFP from the ineffective, demoralized, politics-ridden organization it has fallen into today to a proud, disciplined, combat-ready fighting machine deserving of the trust and confidence of the people.

COURT CONFIRMS MENDOZA AS PAMPANGA GOVERNOR

HK260639 Quezon City Maharlika Broadcasting System in English 2300 GMT 25 Nov 85

[Text] The Supreme Court yesterday [25 November] upheld the legality of the resumption of Governor Estellito Mendoza to Pampanga's top executive post on January 8, 1985, as it dismissed the petition filed by his vice governor seeking his ouster from the office.

By a vote of eight to two, the high court dismissed the petition of Vice Governor Cicero Punzalan, who claimed to have succeeded to the gubernatorial post after Mendoza was appointed by the president as minister of justice and as a member of the Batasang Pambansa last June 30 and July 14, 1984, respectively. Mendoza was also appointed acting solicitor general on May 1, 1972.

MARCOS APPROVES BANK REHABILITATION PLAN

HK260835 Manila BUSINESS DAY in English 25 Nov 85 p 7

[Text] President Marcos has approved a rehabilitation plan for Development Bank of the Philippines [DBP] that will not require DBP's merger with Philippine National Bank [PNB], DBP chairman Cesar Zalamea said. Zalamea's disclosure means that government has junked its plans to merge DBP and PNB, which Prime Minister Cesar Virata has been pushing for since early this year.

Opposition to the merger plan had mounted in the past several weeks, with oppositors to the proposal exploiting the alleged adverse political impact--particularly the manpower retrenchments--of the merger during an election period. Zalamea did not give details of the rehabilitation plan for DBP. Another DBP ranking official said the plan's schedule stipulates that a reorganized DBP will be completely operational by June next year. Sources in PNB disclosed that a similar rehabilitation plan for PNB has been proposed by PNB president Placido Mapa Jr to the Special Presidential Reorganization Commission chaired by the Prime Minister. The basic argument of DBP and PNB officials is that efforts must first be made to strip the two banks of non-performing assets and streamline their operations. Only after this is done, say the officials, should government evaluate whether there is still a need to merge the two banks.

The oppositors to the plan had also pointed out that the merger would be expensive for government. They said the government would have to spend about P400 million on separation and retirement benefits and P2.5 billion to capitalize the new bank that would emerge from the merger.

VIRATA, BUSINESS LEADERS ON ECONOMIC PROSPECTS

HK250911 Hong Kong AFP in English 0819 GMT 25 Nov 85

[Text] Manila, Nov 25 (AFP)--Premier Cesar Virata and Filipino business leaders gave bullish predictions today on the prospects of economic recovery in 1986 after two years of crisis. Mr. Virata told a press forum that demand will peak up soon due to a "relatively good harvest" that will give farmers more income side by side with a construction boom expected from January until next summer.

The concurrent finance minister said two tranches of a 615 million special drawing rights (SDR) loan from the International Monetary Fund (IMF) would be released by December after being held up for months. Mr. Virata said the tranches, delayed by IMF concern over the government budget deficit, will total 212 million SDR. He said exports this year fell "slightly" from 1984 levels save for garments, textiles and nickel, but added that the government would revitalize the lagging sectors. These include coconuts, sugar and electronics.

At the same forum, Felix Maramba, president of the Philippine Chamber of Commerce and Industry, said "the infrastructure for business to take off next year is there" but businessmen were still reluctant to invest. "You have lower interest rates, you have lower inflation. We have everything going for us," he said.

Inflation reached 63 per cent in October 1984. It has fallen to 10 per cent. Interest rates, which peaked at 40 per cent, are now below 20 per cent.

Mr. Maramba said "the difficulty lies in this fact that the private sector has suffered so much for the past two years, and you know as I always say once beaten [as received] twice shy, so the businessman is rather reluctant...to go in." Mr. Maramba said he saw no reason why business should not rebound if the government pushes through with its economic projects, specially in agriculture which has been declared the priority sector in economic recovery efforts.

Appliance manufacturer Raul Concepcion, a member of a presidential economic advisory council, noted a "very strong pickup" in the fourth quarter. He said consumers were expecting prices to go up next year due to a new sales tax, the planned presidential election in January and local government polls in May, and fears that the peso-dollar exchange rate will rise.

"All these factors combined have created a tight supply in the market, whereby dealers who normally stock on a one-week inventory are now bringing it to the normal requirement. Consumers are now buying because of the expectation of price increases," he said.

Opposition M.P. Rolando Andaya, while admitting that some improvement had taken place, told the forum there was still a "crisis of confidence" in the country and that a "clean, fairly honest" presidential election set for February will "do the trick."

MINISTER CLAIMS CB DISCOURAGING SMALL FARMERS

HK2610013 Quezon City ANG PAHAYAGANG MALAYA in English 21 Nov 85 p 6

[Text] Top officials of the Ministry of Agriculture and Food [MAF] yesterday accused the Central Bank [CB] of deliberately imposing stringent requirements for the release of a long-stalled \$100-million Agricultural Loan Fund [ALF] from the World Bank [WB] in order to weed out cash-strapped small farmers in favor of giant agribusiness corporations.

Irate MAF officials said the Central Bank is deceiving the public into believing that portions of this World Bank loan have already been availed of by farmers. The CB reported Tuesday that P268.87 million of the ALF has so far been released in reaction to Agriculture Minister Salvador Escudero III's claim that both farmers and credit conduits are shying away from this WB loan because of CB's strict requirements. Escudero said qualified conduits are hesitant to make use of the loan because of the CB's stiff interest rate of 16.5 percent on participating banks. Small farmers in turn, he added, are discouraged from borrowing because of CB's requirement that they must first put up an equity fund equivalent to 10 to 20 percent of the total loan sought and a collateral whose value is sufficient to cover the amount.

MAF deputy minister Doming Panganiban said the CB's demand for borrowers to submit project studies along with their loan with their loan applications virtually disqualifies small farmers who lack the financial and technical capability to comply with this requirement. Panganiban said it is "hopeless" for small farmers to avail of this loan since such requirements would qualify only the bigtime farmers and agribusiness corporations. Several agriculture officials charged that the CB has yet to release ALF loans for farmers since the P268.87 million taken from the WB fund was actually used to pay CB's overdue rediscounting obligations to rural banks under a so-called "retroactive arrangement" with the World Bank.

Not a single farmer has yet to avail of the loan since the World Bank released \$15 million from the ALF to the CB last June. This means that CB has not even used up this first tranche in the last five months because of the absence of takers, officials said.

Escudero declined to comment except to quote World Bank specialist Ralph Wadsworth as saying that the World Bank is worried about the failure of farmers to avail of the ALF. Escudero earlier asked the World Bank to release half of the ALF to his ministry through its accredited conduits like the National Food Authority, farm input dealers and end-users. He said MAF conduits charge only a spread of three to five percent above CB's fixed interest rate of 16.5 percent for administrative costs whereas commercial banks impose a higher 8 to 10 percent.

EDITORIAL ON WORLD BANK'S ANXIETIES OVER ECONOMY

HK261045 Quezon City ANG PAHAYAGANG MALAYA in English 17 Nov 85 p 4

[Editorial: "Economy Unsound"]

[Text] The lies being peddled by the regime about improvements in the economy was exposed for what they were the other day upon publication in a crony newspaper of anxieties expressed by the World Bank on the negative growth rate being registered by the country. Concerned over the non-utilization by local businessmen and farmers of the \$3-billion trade facility and the \$100-million Agricultural Loan Fund. WB [World Bank] officials have been meeting with bankers and private businessmen in an effort to help get the Philippine economy back on its feet. The report is an eye-opener, of sorts. The last two years or so, the regime's spokesmen and others of their ilk have been misleading the people about the great strides the economy has attained and depicting the most rosy picture for the country in terms of increased gross national product, a resurging peso, decreasing unemployment and such lies calculated to lull the Filipino into a false sense of security. "A smiling people are not hungry," runs a quote by a super-lady and forthwith it was taken up by the regime's servile sycophants and slaves to bare their teeth and smile. For hypocrisy is the name of the game.

The non-nonsense findings of a WB group of visiting officials have pried the lid off a Pandora's box of lies and deception being foisted by the conjugal rulers and their pandering lackeys upon the people. Manifesting alarm for the current economic plight of the country, they have also voiced their puzzlement on the non-utilization of the trade facility and the ALF which could facilitate the hoped-for recovery in a more rapid manner.

It is quite possible that a part of the answer may be provided by the WB itself by offering prospective borrowers a more maneuverable degree of flexibility by not charging commercial rates on the borrowers' loan requirements. But the large share of the blame for this surprising development falls squarely on the lap of the regime. Its total lack of credibility and monumental corruption have stultified the people to a spastic inertia that will not respond to any government enticement. They have been burned many times during the 20-year reign and now all they would want to do is sit idly by and wait for the inevitable and grim denouement that awaits the conjugal dictatorship. As the song goes, our day will come.

PAPER ANALYZES RECENT BOOM OF BLACK MARKET

HK261107 Quezon City ANG PAHAYAGANG MALAYA in English 21 Nov 85 p 6

[Text] After nearly a year in hibernation, the dollar blackmarket is becoming active once again, an unusual development at this time when a lot of foreign exchange is available from legal sources.

Since two weeks ago, the Binondo blackmarket has been attracting more buyers, mostly importers needing financing for their raw material purchases, Luis Arriola, secretary-general of the Confederation of Philippine Exporters, told MALAYA.

The demand for dollars has sparked renewed buying by the Chinese-Filipino group controlling the so-called Binondo central bank, pushing buying rates at P19 to the dollar, compared to the official rate at around P18.85-\$1. Previously, blackmarket buying rates were P.25 to P.50 lower than the official rate. The syndicate at present is selling at between P19.20 and P19.50 to the dollar.

The sudden activity in the blackmarket was attributed to speculations of another devaluation in the face of the coming snap election and the delay in the release of the third tranche from the International Monetary Fund standing credit amounting to 106-million special drawing rights. MALAYA sources who are familiar with the operations of the Binondo ring, however, could not understand why legitimate importers would be affected by the speculative fever. Trading in the Binondo central bank does not involve physical delivery of dollars. A buyer is usually given a dollar-denominated draft which he could only use by depositing with a commercial bank in payment for imports. This is a roundabout way of doing business -- at a higher cost at that -- compared to the simple opening of letters of credits with dollar-rich commercial banks.

Monetary officials claim there is a lot of dollars available for business. They, in fact, were complaining of the private sector's reluctance in using the \$3-billion trade facility restored this year by the country's foreign creditor-banks.

Arriola admitted he believes the current P18.75-\$1 rate will still go down in the next two to three months. Any devaluation, he said, could come only after the presidential election set Feb 7. The rise in dollar trading, MALAYA sources said, could be another move by a high government official who controls the Binondo market to trap speculation-prone businessmen.

At this time last year, the official allowed the blackmarket to quote a high of P24-\$1. Businessmen stocked up on their imported inventory in anticipation of further worsening of the peso, only to lose heavily when the peso steadily declined from the official rate of P20-\$1 to P18-\$1.

THREE INTERNATIONAL LOANS SET FOR RELEASE 15 DEC

HK260535 Quezon City Maharlika Broadcasting System in English 0400 GMT 26 Nov 85

[Text] Three international loans are to be released by financing institutions to the Philippines on December 15. Two of the loans represent the third and fourth installments of standby credit facilities from the International Monetary Fund. The two (trade) facilities are worth \$212 million in special drawing rights. Also on December 15 \$175 million are to be released from a \$925 million new money facility put up by the country's main creditor banks. Prime Minister Cesar Virata said the delay in the release of the two credit installments from the IMF was due to the protracted and tedious process of negotiating with the IMF for a higher budget deficit for the Philippines. The IMF approved a higher budget deficit of 13 billion pesos for 1985.

MANILA SHOWS INCREASE IN LICENSE INCOME

HK260917 Manila BULLETIN TODAY in English 25 Nov 85 pp 1, 18

[Text] Despite economic slowdown nationwide, business in Manila has perked up, according to statistics submitted to Mayor Ramon D. Batatsing by the city treasurer's office.

The city treasurer's office said revenue collections of the license division mainly from big and medium-scale commercial and service enterprises have increased.

City Treasurer Anthony Y. Acevedo said that collection since January up to October this year has exceeded the previous year's collection and the target for the period this year. License chief Victor Endriga said the collection for the 10-month period this year reached P133.5 million compared to only P119.5 million for the same period last year. Acevedo said the increased collection included sales taxes and taxes on services. "This indicates that sales and services are on the upswing," he said.

While Acevedo credited an ingenious zonal collection efforts by revenue examiners for the increased collection, he also viewed it as indicative of a wholesome business trend in the city. The increase, however, will not make up for the general shortfall of revenue from the budget due to the suspension of the real estate tax raises and the hike of market fees, he said. The city will thus have to rely on the collection from the national government of some P60 million to sustain budgetary needs up to the end of the year, he said.

Acevedo said there is some uncertainty among small businessmen, like market vendors, due to the decline of tax and revenue collection from them. But the decline could be due to some other factors, like the Filipino habit of delaying payment of dues for as long as it is convenient, it was learned.

TERRORISM STALKS OPPOSITIONISTS AROUND COUNTRY

HK251021 Quezon City ANG PAHAYAGANG MALAYA in English 15 Nov 85 p 9

[Text] During the past few months, a seeming pattern aimed at terrorizing into silence known opposition people in different regions in the country has emerged. This year alone, scores of people, known for their oppositionist stance have been the target of death threats and assassination attempts, some of them successful.

Among the more known personalities killed in Mindanao alone were human rights lawyers Romualdo Taujo of Tagum, Davao del Norte; Crisostomo Cailing of Balingasag, Misamis Oriental; and peasant leader Jose Pabro of Claveria, Misamis Oriental. All were gunned down on separate occasions this year.

In Vigan, Ilocos Sur, Bernardo Navarette, a radio commentator and potential opposition bet as vice mayor in San Vicente, Ilocos Sur, was also gunned down in a busy street while buying medicine for his child.

This week, within days of each other, two known opposition men—one in Ilocos Norte and the other in Cagayan de Oro - have also received ominous warnings against their lives.

In a wire sent to MALAYA, Ross Samonte Tipon, head of the "Draft Cory Aquino Movement" in Ilocos Norte, said that an anonymous caller phoned a threat to salvage Tipon while he was being interviewed over DZVR Radio Bombo anchored by independent commentator Vic Aguilar during his 6-7 a.m. program last Wednesday.

Upon repeatedly hearing the word "salvage," Tipon said. "This threat is enough proof that this administration is yet unprepared for the return to true democracy."

Meanwhile, Hugo Gerry Orcullo, a radio commentator in Cagayan de Oro City, and a commentator in a Cagayan de Oro weekly, allegedly received a handwritten note in Cebuano is the brother of Alexander Orcullo, a journalist gunned down by still unidentified armed men last year.

The Media Mindanao News Service said the letter, written in capital letters, was received by his wife Gertrude on Nov. 1. The letter, postmarked Nueva Ecija, said that Orcullo was the next and third target for assassination. The letter was signed "STC, friends of yours." Orcullo was called in the letter as one of the four "basura sa Cag (Cagayan de Oro)." The letter alleged that two of the four have already been eliminated, but it did not identify who the two alleged salvage/assassination victims were. Orcullo, a former political detainee and a member of the Mindanao Alliance like the three other alleged victims, said he has already exposed the threat on television. As of press time, his wife Gertrude has not reported back to work at the Misamis Oriental provincial capitol in Cagayan de Oro because of fear.

MILITARY DENIES MASS KILLINGS IN CAGAYAN

HK260935 Quezon City ANG PAHAYAGANG MALAYA in English 17 Nov 85 pp 1, 3

[Text] The military yesterday admitted having staged three air strikes within the logging area of a big concessionaire covering the mountain areas of Cagayan and Kalinga-Apayao. Brig Gen Tomas Manlongat, PC-INP [Philippine Constabulary-Integrated National Police] chief for Region 2, made the confirmation in a press statement released through Col Reynaldo San Gabriel, AFP [Armed Forces of the Philippines] spokesman.

The release sought to clarify news reports published in MALAYA last Oct 13 and 14 that the logging farm of the Taggat Industries has been turned into a "killing field" both by the government troops and the New People's Army. Manlongat described the reports, attributed to the Northern Luzon Human Rights Organization, as "gross exaggeration." Manlongat explained that the air strikes were conducted only on "legitimate targets" such as the fortified camps of the subversive terrorists. He added that no civilian was caught in the cross fire. "Except for the evacuation of some families from Kitag, Sanchez Mira to the Centro town proper after harvest time, no other evacuation had taken place," Manlongat said.

The human rights group which allegedly sent a fact-finding mission to the bombing sites, said that from March 11 to Aug 31 this year, the military had conducted at least 17 incidents of bombing and more than 30 cases of machinegun strafing in the towns of Pamplona, Sanchez Mira, Claveria and Sta. Prexedes in Cagayan and in Luna and Calanasan in Kalinga-Apayao. The group claimed that the military also carried out operations against civilians suspected of being sympathetic to the dissident forces, forcing the rural folk to flee.

In refuting allegations about mass killings and militarization in Cagayan, Manlongat said that Task force Scorpio of the Cagayan Constabulary Command was constituted last Feb 25 and based at Sanchez Mira Owing to the continued subversive terrorist activities in the area. He listed these incidents as 16 cases of kidnapping and liquidation of government officials and civilians, 4 cases of burning of logging equipment owned by Taggat Industries, 4 ambushes resulting to the death of 16 PC and police personnel, 13 militiamen and three civilians plus 18 government troopers wounded, five encounters with subversive elements and discovery of 12 NPA training camps.

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